

FY 2005 Data Dictionary

IRS Critical Performance Measures

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1. Improve Taxpayer Service

	DESCRIPTION
Operating Division (s)	WAGE & INVESTMENT CUSTOMER ACCOUNT SERVICES
Measure Name	Customer Service Representative (CSR) Level of Service
Type of Measure	Critical (Outcome) Measure – Business Results Quantity
Program Category Related Strategic Goal	1. Filing and Account Services 2. Improve Taxpayer Service
Responsible Official	Director, Customer Accounts Services
Definition	The relative success rate of taxpayers that call for toll-free services seeking assistance from a Customer Service Representative.
a. Reporting Level (s)	a. Enterprise, by Dialed Number
b. Report Data Source	b. Enterprise Telephone Database (ETD)
c. Reports	c. Snapshot report on JOC web page http://joc.enterprise.irs.gov/etd/Snapshots/ausnapshot.asp Refer to the CAS calls category on the Enterprise snapshot
Formula/Methodology	<p>CSR LOS =</p> $\frac{\text{Assistor Calls Answered} + \text{VCR Answered} + \text{Informational Messages}}{\text{Assistor Calls Answered} + \text{VCR Answered} + \text{Informational Messages} + \text{VCR Busies} + \text{Courtesy Disconnects} + \text{Emergency Closed} + \text{Secondary Abandons} + \text{Calculated Busy Signals}^* \text{ (See notes 1 and 2 below)}}$ <p>1) *If the sum of VCR Answered + Informational Messages + TRIS Completed is greater</p>

	<p>than or equal to one, use Calculated Busy Signals to determine CSR LOS. Otherwise, use Total Busy Signals from AT&T Network Incomplete (-Prompter Abandon).</p> <p>2) *Calculated Busy Signals = (Assistor Calls Answered + VCR Answered + Informational Messages + VCR Busies + Courtesy Disconnects + Emergency Closed + Secondary Abandons) divided by (Total Attempts – (Network Incomplete – Prompter Abandons)) times (Network Incomplete – Prompter Abandoned)</p>
Data Source/ Measurement Tools	Aspect ACD, AT&T, TRIS, ICM
Reliability of Data	Reasonable Accuracy – Data originates from the Aspect ACD, TRIS, ICM, and AT&T. Data is automatically transmitted to and compiled in ETD. Data validation takes place to ensure accurate data is transmitted to ETD from the Aspect ACD, TRIS, and AT&T. In addition, JOC periodically verifies ETD data using Intelligent Contact Management (ICM) data. ICM data can be compromised by a loss of connectivity of one or more of the ACDs.
Frequency of Data Availability/Reporting	Data is available in a wide variety of time increments: daily, weekly, monthly, PP and FY.

Purpose of Measure: Determine the relative success rate of taxpayers that call for Toll-free services seeking assistance from a Customer Service Representative (CSR).

Data Limitations: Reasonable accuracy. Data validation takes place to ensure accurate and complete data is fed to ETD from the Aspect ACD, TRIS, and AT&T. In addition, JOC periodically verifies ETD data using ICM data. JOC validates all CSR LOS data elements on a weekly basis.

Calculation Changes: FY 2005 calculation includes Enterprise information for all the CAS product lines.

Complete Description of the Process(s) measure originates from: To calculate the CSR LOS, all call data is automatically accumulated by the Aspect ACD in each site and transmitted nightly to the telephone database ETD located in New Carrollton. Report data is extracted weekly from the database and used to create the official Snapshot Report, which is located on the ETD website.

Critical Path:

1. Aspect ACD, TRIS, AT&T and ICM data is collected on each system.
2. Raw data is fed nightly from each system.
3. Raw data is then compiled and organized in the ETD database.
4. Using this data, ETD calculates weekly, planning period and fiscal year CSR LOS that is reflected on the official Snapshot.

Management Controls for items on critical path:

1. Validation of monthly report data by W&I P&A staff.
2. The JOC and ETD staff validate CSR LOS data prior to publication of the weekly official Snapshot report. Independent weekly CSR LOS source data is also gathered and validated by comparing data with the data used to produce the official Snapshot report.

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	DESCRIPTION
Operating Division (s)	WAGE & INVESTMENT – CUSTOMER ACCOUNTS SERVICES
Measure Name	Customer Contacts Resolved per Staff Year
Type of Measure	Critical (Efficiency) Measure – Business Results Quantity
Program Category Related Strategic Goal	1. Filing and Account Services 2. Improve Taxpayer Service
Responsible Official	Director, Customer Accounts Services
Definition	The number of Customer Contacts Resolved in relation to time expended based on staff usage.

a. Reporting Level (s)	a. Enterprise
b. Report Data Source	b. Enterprise Telephone Data (ETD) Snapshot Report, Accounts Management Information Report (AMIR) Advance Child Tax Credit Project Site, MIS Reporting Tool, Electronic Tax Administration (ETA) Website- (http://eta.hq.irs.gov/eta/inside/Internet%20Development%20services/e-services/e-services%20documents/e-file.gov). Work Planning & Control (WP&C) Report, Resource Allocation Report (RAR)
c. Reports	c. Enterprise Telephone Data (ETD) Snapshot Report, Accounts Management Information Report (AMIR) Advance Child Tax Credit Project Site, MIS Reporting Tool, Electronic Tax Administration (ETA) Website- (http://eta.hq.irs.gov/eta/inside/Internet%20Development%20services/e-services/e-services%20documents/e-file.gov). Work Planning & Control (WP&C) Report, Resource Allocation Report (RAR)
Formula/Methodology	<p style="text-align: center;">Assistor Calls Answered + Automated Calls Answered+ <u>Web Services Completed + Electronic Services + Paper Responses</u> Staff Years</p> <p>This measure summarizes the following activities: telephone (automated calls and assistor calls answered), web services (IRFOF< IRACTC, P-TIN & Disclosure authorization, electronic interactions (ETLA, I-EIN, & I-EAR), and paper information from Relations). This report provides data for prior and current year “actual data as well as current year planned overhead to include direct technical time, clerical support time, quality review, and total overhead (e.g. training, management, leave.</p>
Data Source/ Measurement Tools	Customer satisfaction survey developed by an outside vendor, PCG for individual components. Aspect ACD, TRIS, AMIR, and Internet Refund/Fact of Filing & Advance EITC Project Site, MIS Reporting Tool, ETA website, & Staff Year data is extracted from the weekly WP&C report and consolidated and included in the RAR report.
Reliability of Data	Reasonable Accuracy – See individual components
Frequency of Data	Weekly, Monthly, Quarterly, Planning Period, Annually

Purpose of Measure: The measure provides data based on a “multi-channel” efficiency measure for Accounts Management activities. This measure captures the ratio of output (Accounts Management contacts) to input (Accounts Management program staff years).

Data Limitations: No significant limitations. See individual components.

Calculation Changes: New Measure

Complete Description of the Process: The individual components are derived from several sources (see individual components). The formula is applied to the components to arrive at the measure.

Critical Path:

1. Contact is made by the customer.
2. Raw data is transmitted to the collection platform i.e. Aspect ACD, Web Services, AMIR, ETA.
3. Staff usage is provided through WP&C.
4. Data is extracted for computation.

Management Controls for items on critical path:

1. Data is compiled from several sources (see individual components).
2. Each area is responsible for component accuracy. See individual component controls.

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	DESCRIPTION
Operating Division (s)	Wage & Investment: Strategy & Finance: Earned Income Tax Credit Project Office
Measure Name	Percent of Eligible Taxpayers Who File for EITC (Participation Rate)
Type of Measure	Critical (Outcome) Measure – Business Results Quantity
Program Category Related Strategic Goal	1. Pre-filing 2. Improve Taxpayer Service
Responsible Official	Patricia H. Lee, Program Director, EITC Strategic Operations 404-338-8853
Definition	Compares the number of taxpayers who claimed an EITC to the number of taxpayers who appear to be eligible based on Census Bureau data.
a. Reporting Level (s)	a. Nationwide
b. Report Data Source	b. Individual Returns Transactions File (IRTF) - Data captured from IRS processing; TY1 CPS – Census Bureau Survey; 1999 EITC Compliance Study – EITC Audits
c. Reports	c. W&I Research Report
Formula/Methodology	<p>We are in the process of refining our methodology for estimating the percent of eligible taxpayers claiming EITC. To date, we have relied on a GAO-developed formulation that has some opportunities for improvement. W&I Research developed an advanced regression alternative. W&I Research's methodology using the regression analysis still needs additional refinement. Among the concerns: The model was designed to make predictions at the state level and sum the state level results to produce a national estimate. The model produced predicted estimates for some states in excess of 100 percent, which raises a concern as to the reliability of the results and the use of the model for predicting both state and national estimates. These issues are being addressed. W&I Research is also working with the U.S. Census to obtain Current Population Survey data for matching with EITC tax data. Once the analysis is complete, we will assess each and make a decision on the methodology to be used for estimating participation.</p> <p>Previously, To calculate the rate, the estimated number of eligible claimants is divided by the</p>

	number of eligible households. IRS IRTF data will be used to determine the number of EITC recipients. The TY1999 EITC Compliance Study will be used to estimate the number that received EITC that were not eligible. These two calculations will be used to estimate the number of eligible claimants for TY2002. Census Bureau Current Population Survey (CPS) data will be used to estimate the number of households that are eligible to claim EITC.
Data Source/ Measurement Tools	IRTF - Data captured from IRS processing; TY1 CPS – Census Bureau Survey; 1999 EITC Compliance Study – EITC Audits.
Reliability of Data	Reasonably Accurate
Frequency of Data Availability/Reporting	Yearly

Purpose of Measure: To estimate the percentage of taxpayers who qualify for EITC that actually claim the credit.

Data Limitations: Qualified households are determined by the CPS survey data, but the survey does not capture all of the components of EITC qualification such as Residency and Relationship. Also the Census Bureau can only determine taxpayers that file a return, not if they actually claim EITC.

Calculation Changes: New

Complete Description of the Process: The Census Bureau (CB) determines the number of qualified households from the CPS survey data. The CB then uses the IRS match file to determine if households appear to qualify for EITC filed a return. The results are passed to W&I Research, which compare the results with the latest EITC Compliance Study (currently TY1999) for adjustment and final tabulation. These results are then presented in a research report.

Critical Path:

1. Agreement with CB to match and provide data.
2. CB provides data to W&I Research

3. WI calculates data and issues report.

Management Controls for items on critical path:

1. None
2. None
3. Research management organizational structure will conduct oversight as necessary.

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	DESCRIPTION
Operating Division (s)	Wage & Investment/Small Business Self Employed (Tax Law): Customer Account Services: Accounts Management
Measure Name	Outcome: Customer Accuracy - Tax Law Phones
Type of Measure	Critical (Outcome) Measure – Business Results Quality
Program Category Related Strategic Goal	1. Filing and Account Services 2. Improve Taxpayer Service
Responsible Official	Director, Customer Account Services
Definition	Customer Accuracy is defined as a live assistor giving the correct answer with the correct resolution. It measures how often the customer received the correct answer to their inquiry and/or had their case resolved correctly based upon all available information and IRM required actions. This measure applies to all Tax Law and Account transactions.
a. Reporting Level (s)	a. Site, Enterprise
b. Report Data Source	b. NQRS
c. Reports	c. Reports embedded in the NQRS database

Formula/Methodology	<p>Calculated based on Defects Per Opportunity (DPO) which focuses on how many attributes were scored incorrectly vs. how many possible attributes applied to that particular transaction. Dividing the number of errors by the total number of opportunities for a transaction, then subtracting that figure from one (1).</p> $1 - \left(\frac{N}{Y+N} \right) = \text{XX}\%$ <p>(In this particular measure, there is only one attribute [opportunity] per transaction.)</p>
Data Source/ Measurement Tools	Field 715 on the Data Collection Instrument (DCI) is coded by the Centralized Quality Review System (CQRS) monitor as calls are reviewed. Data is input to the NQRS for product review and service reporting.
Reliability of Data	Reasonable Accuracy – Field 715 on the DCI is coded by the CQRS monitor as calls are reviewed. Data is input to the NQRS. The NQRS contains several levels of validation that occur as part of the review process. The input records are validated requiring entries and combinations of entries based upon the relationships inherent in different product lines or based upon an entry in a quality attribute. The national reviews conducted by CQRS site staff on telephone product lines are sampled by local management and management officials at the CQRS site. In addition, every review is available on-line to the site for verification purposes. Sites monitor their review records daily and have a small rebuttal period to contest any review.
Frequency of Data Availability/Reporting	Unweighted data is available on-line after input. Weighted data is run monthly within two weeks after the end of the month and available on NQRS.

Purpose of Measure: The purpose of this measure is to capture the percent of taxpayers who receive the correct answer to their Tax Law or Account question.

Data Limitations: None

Calculation Changes: None

Complete Description of the Process(s) measure originates from: Accuracy measured via remote monitoring a statistically valid sample of tax law and account product line calls, the monthly call volume and monthly weighting of the accuracy projections based on volume of calls handled.

Critical Path:

1. CQRS monitors calls based on SOI designed plan.
2. Call is evaluated for customer accuracy, procedural accuracy, regulatory accuracy, professionalism and timeliness. Results are input to the National Quality Review System (NQRS.)
3. Monthly call volumes of calls handled for each product line are input to NQRS based on Electronic Telephone Database (ETD) reports.
4. Weighted reports are run within two weeks after the end of the month to update the fiscal year cumulative data.
5. HQ extracts report data for Business Performance Review Summary.

Management Controls for items on critical path:

1. CQRS management samples NQRS records and validates that sample plans have been followed.
2. CQRS management reviews NQRS employee input DCIs for consistency and coding.
3. CQRS tracks and reviews rebuttals quarterly and an annual sample of each product line's rebuttals is performed.
4. A rebuttal database is used to share technical and coding issues in CQRS.

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	DESCRIPTION
Operating Division (s)	Wage & Investment - Customer Account Services
Measure Name	Customer Accuracy – Accounts (Phones)
Type of Measure	Critical (Outcome) Measure – Business Results Quality
Program Category Related Strategic Goal	1. Filing and Account Services 2. Improve Taxpayer Service
Responsible Official	Director, Customer Account Services
Definition	Customer Accuracy is defined as a live assistor giving the correct answer with the correct resolution. It measures how often the customer received the correct answer to their inquiry and/or had their case resolved correctly based upon all available information and IRM required actions. This measure applies to all Tax Law and Account transactions.
a. Reporting Level (s)	a. Site, Enterprise
b. Report Data Source	b. NQRS
c. Reports	c. Reports embedded in the NQRS database
Formula/Methodology	<p>Calculated based on Defects Per Opportunity (DPO) which focuses on how many attributes were scored incorrectly vs. how many possible attributes applied to that particular transaction. Dividing the number of errors by the total number of opportunities for a transaction, then subtracting that figure from one (1) calculates it.</p> $1 - \left(\frac{N}{Y+N} \right) = \text{xx}\%$ <p>(In this particular measure, there is only one attribute [opportunity] per transaction.)</p>
Data Source/ Measurement Tools	Field 715 on the Data Collection Instrument (DCI) is coded by the Centralized Quality Review System (CQRS)
Reliability of Data	Reasonable Accuracy – Field 715 on the DCI is coded by the CQRS monitor as calls are reviewed. Data is input to the NQRS. The NQRS contains several levels of validation that occur as part of the review process. The input records are validated requiring entries and combinations of entries based upon the relationships inherent in different product lines or based upon an entry in a quality attribute. The national reviews conducted by CQRS site staff

	on telephone product lines are sampled by local management and management officials at the CQRS site. In addition, every review is available on-line to the site for verification purposes. Sites monitor their review records daily and have a small rebuttal period to contest any review.
Frequency of Data Availability/Reporting	Unweighted data is available on-line after input. Weighted data is run monthly within two weeks after the end of the month and available on NQRS.

Purpose of Measure: The purpose of this measure is to capture the percent of taxpayers who receive the correct answer to their Tax Law or Account question.

Data Limitations: None

Calculation Changes: Written Referrals (Forms 4442) were moved into Correspondence sample and removed from Account Calls sample in FY 2002.

Complete Description of the Process(s) measure originates from: Accuracy measured via remote monitoring a statistically valid sample of tax law and account product line calls, the monthly call volume and monthly weighting of the accuracy projections based on volume of calls handled.

Critical Path:

1. CQRS monitors calls based on SOI designed plan.
2. Call is evaluated for customer accuracy, procedural accuracy, regulatory accuracy, professionalism, and timeliness. Results are input to the National Quality Review System (NQRS)
3. Monthly call volumes of calls handled for each product line are input to QRDbv2 based on Electronic Telephone Database reports.
4. Weighted reports are run on the 10th day of the month to update the fiscal year cumulative data.
5. HQ extracts report data for Business Performance Review Summary.

Management Controls for items on critical path:

1. CQRS management samples NQRS records and validates that sample plans have been followed.
2. CQRS management reviews NQRS employee input DCIs for consistency and coding.
3. CQRS tracks and reviews rebuttals quarterly, and an annual sample of each product line's rebuttals are performed.
4. A rebuttal web site is used to share technical and coding issues in CQRS.

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	DESCRIPTION
Operating Division (s)	Wage & Investment: CARE: Media & Publications
Measure Name	Outcome: Timeliness of Critical Filing Season Tax Products to the Public
Type of Measure	Critical (Outcome) Measure - Business Results Quality
Program Category Related Strategic Goal	1. Pre-filing Services 2. Improve Taxpayer Service
Responsible Official	Director, Media & Publications Director, Publishing / Tom Kindrock 202-927-6939; Chief, Publishing Services, Steve Manno 202-622-7894
Definition	This new measure will assess the percentage of Critical Filing Season tax products, paper and electronic, available to the public timely. Critical Filing Season tax products are those forms, schedules, instructions, publications, tax packages, and certain notices normally filed between January 1 st through April 15 th that are mailed to taxpayers as tax packages. Such tax products are also available to taxpayers through various supply chain distribution channels, e.g. Banks, Post Offices, and Libraries (BPOL), Community Based Outlet Program (CBOP), Taxpayers Assistance Centers (TAC) and distribution sites. This measure contains two components: (1) the percentage of paper tax products shipped no later than December 20 th (December 27 th for tax packages) and, (2) the percentage of scheduled electronic tax products that are available on the Internet within five (5) business days of the ok-to-print date.
a. Reporting Level (s)	a. Director, Publishing

b. Report Data Source	b. Publishing Services Data System (PSD)
c. Reports	c. PSD Reports
Formula/Methodology	<p>A weighted average calculation is used to determine the overall timeliness rate. It compares to Critical Filing Season tax products against a ratio of timely printed tax products shipped by December 20, 2004 (December 27, 2004 for tax packages) <u>plus</u> the ratio of timely internet Critical Filing Season tax products posted to irs.gov within five (5) business days of the scheduled ok-to-date during the reporting period. The outcome is expressed as a weighted percentage.</p> <p>Example:</p> <p>Timely printed products = 70 Timely internet products = 117 All scheduled product = 100 paper products and 134 internet products = 234</p> <p>(timely paper/all scheduled products) = $70/234 = .2991$ Timely paper ratio plus (timely internet/all scheduled products) = $117/234 = .5000$ Timely internet ratio</p> <p>.7991 or 80% timeliness – weighted percentage</p>
Data Source/ Measurement Tools	Publishing Services Data (PSD) System
Reliability of Data	Reasonable Accuracy Procedures in place to support the input of valid data. Nightly processes provide analysts and management with reports regarding production status, missing data problems, and past due situations.
Frequency of Data Availability/Reporting	Annually in January

Purpose of Measure: This new measure will show the percentage of Critical Filing Season paper and electronic tax products that meet the December 20th (December 27th for tax packages ship date, in order to be available to the public timely.

Data Limitations: None

Calculation Changes: The calculation to determine the percentage is the total number of Critical Filing Season tax products paper and electronic that meets the scheduled start to ship/internet posting date divided by the total number of Critical Filing Season tax products scheduled for shipment during the reporting period.

Complete Description of the Process: The calculation to determine the percentage is the total number of tax products that meet the scheduled start to ship date divided by the total number of tax products scheduled for shipment during the reporting period.

Critical Path:

1. Identify the parameters of the reporting period.
2. Extract the total number of Critical Filing Season paper products meeting the scheduled start to ship date within the reporting period
3. Extract the total number of Critical Filing Season internet products meeting the scheduled ok-to-print date within the reporting period
4. Extract the total number of all Critical Filing Season tax products (paper plus internet) scheduled within the reporting period.
5. Divide the total number of Critical Filing Season paper tax products meeting the scheduled start to ship date by the total number of all Critical Filing Season tax products scheduled for shipment during the reporting period (A).
6. Divide the total number of Critical Filing Season internet tax products meeting the scheduled ok-to-print date by the total number of all Critical Filing Season tax products scheduled to be posted during the reporting period (B).
7. Add (A) and (B). Multiply by 100 to convert to the weighted percent of timeliness to the public.

Management Controls for items on critical path: Nightly processes provide analysts and management with reports concerning production status, missing data problems, and past due situations.

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	DESCRIPTION
Operating Division (s)	Wage & Investment: CARE: Media & Publications
Measure Name	Timeliness of Critical Other Tax Products to the Public
Type of Measure	Critical (Outcome) Measure - Business Results Quality
Program Category Related Strategic Goal	1. Pre-filing Services 2. Improve Taxpayer Service
Responsible Official	Director, Media & Publications, Contact: Director, Publishing – Tom Kindrock 202-927-6939, Chief, Publishing Services – Steve Manno 202-622-7894
Definition	This measure will assess the percentage of Critical other tax products, paper and electronic, available to the public timely. Critical other tax products are business tax products, Tax Exempt and Government Entities and miscellaneous tax products. This measure contains two components: (1) percentage of paper tax products that meet the scheduled start to ship date within five business days of the actual start to ship date and, (2) the percentage of scheduled electronic tax products that are available on the Internet within five business days of the ok-to-print date. The intent is to have the tax products available to the public 30 days before the form is required to be filed.
a. Reporting Level (s)	a. Director, Publishing
b. Report Data Source	b. Publishing Services Data System (PSD)
c. Reports	c. PSD Reports
Formula/Methodology	A weighted calculation is used to determine the overall timeliness rate. It compares total Critical other tax products against a ratio of timely printed tax products shipped within five days <u>plus</u> the ratio of timely Internet critical filing season tax products posted to irs.gov within five business days of the scheduled ok-to-print date of the reporting period. The outcome is expressed as a weighted percentage. Example: Timely printed products = 70 Timely internet products = 117

	<p>All scheduled products = 100 paper products and 134 internet products = 234</p> <p>(timely paper/all scheduled products) = $70/234 = .2991$ timely paper ratio plus</p> <p>(timely internet/all scheduled products) = $117/234 = .5000$ timely internet ratio</p> <p>$.7991$ or 80% timeliness – weighted percentage</p>
Data Source/ Measurement Tools	Publishing Services Data System (PSD)
Reliability of Data	Reasonable Accuracy. Procedures are in place to support the input of valid data. Nightly processes provide analysts and management with reports regarding production status, missing data problems, and past due situations.
Frequency of Data Availability/Reporting	Monthly/Monthly

Purpose of Measure: This measure will show the percentage of “Critical Other” paper and electronic tax products that meet the scheduled start to ship date, in order to be available to the public timely.

Data Limitations: None

Calculation Changes: None

Complete Description of the Process: The calculation to determine the percentage is the total number of Critical Other tax products, paper and electronic, that meets the scheduled start to ship/internet posting date divided by the total number of Critical Other tax products scheduled for shipment during the reporting period.

Critical Path:

1. Identify the parameters of the reporting period.
2. Extract the total number of Critical Other paper products meeting the scheduled start to ship date within the reporting period.
3. Extract the total number of Critical Other Internet products meeting the scheduled ok-to-print date within the reporting period.

4. Extract the total number of all Critical Other tax products (paper plus Internet) scheduled within the reporting period.
5. Divide the total number of Critical Other paper tax products meeting the scheduled start to ship date by the total number of all Critical Other tax products scheduled for shipment during the reporting period (A).
6. Divide the total number of Critical Other internet tax products meeting the scheduled ok-to-print date by the total number of all Critical Filing Season tax products scheduled to be posted during the reporting period (B).
7. Add (A) and (B). Multiply by 100 to convert to the weighted percent of timeliness to the public.

Management Controls for items on critical path: Nightly processes provide analysts and management with reports concerning production status, missing data problems, and past due situations.

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	DESCRIPTION
Operating Division (s)	Wage & Investment: Customer Account Services: Submission Processing
Measure Name	Percent of Individual Returns that were filed Electronically
Type of Measure	Critical (Outcome) Measure - Business Results Quantity
Program Category Related Strategic Goal	1. Filing and Account Services 2. Improve Taxpayer Service
Responsible Official	Director, W&I Customer Account Services, Submission Processing
Definition	The percentage of total individual returns (paper and e-filed submissions combined) that were electronically filed at the W&I Submission Processing Centers.
a. Reporting Level (s)	a. W&I, CAS, Submission Processing and W&I Operating Division
b. Report Data Source	b. The main data source is the IIRAP.xls report which is a national roll-up of the Weekly Reports of Processing Individual Income Tax Returns ("II" Report) from each of the W&I Submission Processing Centers. The II Reports contain, by Program Number for both paper and e-filed returns, the cumulative processed figures for the calendar year to date. These production figures come primarily from the Balance Forward

	Listing (BFL), run number PCD-03-44 – supplemented with local information (e.g., when certain adjustments have not yet been made or have inadvertently been made in error to the BFL).
c. Reports	c. Business Performance Review Summary, Strategy and Program Plans, CAS Business Plan, PAC 2-B report
Formula/Methodology	<p>For each of the Submission Processing Centers - the volumes reported for paper returns reflect the number of cumulative, calendar year-to-date returns processed (i.e., processed receipts that have created a Good Tape transaction). Thus, using the Balance Forward Listing [for the last non-holiday, Monday-Friday day of the week], we pick up the figures from the cumulative Good Transactions column for each of the respective Program Numbers associated with Individual 1040 Series Returns (paper). Data from the BFL is supplemented, when appropriate, with local information.</p> <p>For each of the Submission Processing Centers that process e-filed returns - the volumes reported for electronic returns reflect the number of cumulative, calendar-year-to-date returns processed (i.e., processed, acknowledged transmissions that have created a Good Tape transaction). Thus, using the Balance Forward Listing [for the last non-holiday, Monday – Thursday day of the week], we report the figures from the cumulative Good Transactions column for each of the respective Program Numbers associated with Individual 1040 Series Returns (electronic). Data from the BFL is supplemented, when appropriate, with local information.</p> <p>Note that the “II” Report reflects the long standing tradition of reporting a week for paper returns as Saturday – Friday while reporting a week for electronic returns as Friday – Thursday. More specifically, for electronic returns, the report includes data from the Thursday night ELF runstream drain through the Thursday noon ELF runstream drain.</p> <p>At the national level - Since the data sources are weekly and accumulate by calendar year, for the first three months of the fiscal year, the cumulative figure, through the week that most closely corresponds to the end of September, is subtracted from the cumulative figure, calendar year-to-date. For the next nine months, the first fiscal quarter figure (the computation of which is described immediately above) is added to the cumulative calendar</p>

	<p>year figure through the week that most closely corresponds to the end of the most recent month.</p> <p>The number of e-filed returns processed is divided by the sum of the number of e-filed and paper returns processed.</p>
Data Source/ Measurement Tools	<p>For each Submission Processing Center, the Generalized Mainframe (GMF) processing evaluates which returns have been worked to completion and can be output as Good Tape Transactions and can be reported on the Balance Forward Listing. (Obviously there are human interventions performed as necessary by the Accounting Operation at each site.) At the national level, the main data source is the IIRAP.xls report - which is a national roll-up of the Weekly Reports of Processing Individual Income Tax Returns ("II" Report) from each of the centers. The II Reports contain, by Program Number for both paper and e-filed returns, the cumulative production figures for the calendar year-to-date.</p>
Reliability of Data	<p>Since processed volumes are systemically generated, they are quite accurate. On any one day, however, there may be error registers generated which prevent the data from being precisely accurate as presented on the Balance Forward Listing. Similarly, human intervention (e.g., making adjustments to correct volumes on an error register) may cause the data as presented on a single day on the Balance Forward Listing to be in error. However, there are balancing procedures established to identify and resolve any such error on a daily basis.</p>
Frequency of Data Availability/Reporting	<p>Data from the IIRAPHQ.xls is available weekly (compiled from the Balance Forward Listing which is available daily), and reported monthly.</p>

Purpose of Measure: This measure is the progress made in complying with the legislative mandate of having 80% of all returns filed electronically by 2007.

Data Limitations: Since the ultimate data source contains an error register routine (and depends on human intervention for correction), it may contain errors. However, large errors are very likely noticed and corrected in the submission that goes forward from a campus to HQ. A very small error may not be noticed by the analysts preparing the report to transmit to HQ.

Calculation Changes: None

Complete Description of the Process: The Percent of Individual 1040 Series Returns Processed that were Filed electronically represents the number of tax returns that have completed campus processing and have been forwarded to MCC for masterfile processing during the fiscal year through e-file submission divided by the total number of Individual 1040 Series Returns Processed (paper and electronic submissions combined) that have completed campus processing and have been forwarded to MCC for masterfile processing during the fiscal year.

Critical Path:

1. Taxpayer submits electronic return to IRS (via tax practitioner, through a third party transmitter, or through TeleFile) or taxpayer submits paper return to IRS (via mail, directly to IRS employee, etc.)
2. Submission Processing Centers receive electronically transmitted returns or physically receives paper tax returns
3. Submission Processing Centers subject the transmitted returns to mainframe processing for validity checking
4. Submission Processing Centers acknowledge those returns that pass the validity checking process and reject back to the transmitter those returns that fail the validity checking process
5. Submission Processing Centers extract and sort paper tax returns
6. Submission Processing Centers batch paper tax returns
7. Submission Processing Centers complete intervening processes for paper tax returns
8. Submission Processing Centers transcribe paper tax returns and run them and the acknowledged electronically filed returns through Generalized Mainframe (GMF) processing for additional validity checking
9. At each Submission Processing Center, volumes of electronically transmitted and paper submitted tax returns successfully complete GMF processing and create Good Transaction records. Some returns go to other controlled inventories for additional perfection. Once corrected, these returns go through GMF processing again and either create Good Transaction records or are controlled to other inventories.
10. At each Submission Processing Center, the volumes of tax returns successfully completing GMF processing and creating Good Transaction records post to the Balance Forward Listing
11. At each Submission Processing Center, personnel produce the Weekly Reports of Processing Individual Income Tax Returns ("II" Report – which lists paper submissions separately from electronic transmissions) and submit it to Headquarters (HQ) Personnel on the first non-holiday Monday – Friday of each calendar week.
12. HQ Personnel "reads" II Report from each Submission Processing Center into the IIRAP.xls and performs data validity checks

13. HQ Personnel extract data from IIRAP.xls for measure.

Management Controls for items on critical path:

1. At each Submission Processing Center, managerial oversight is used to ensure that the balancing instructions for the Balance Forward Listing are followed and that necessary adjustments are made.
2. Management Officials review "II" Report prior to its release to Headquarters personnel.
3. Headquarters Personnel release preliminary data for peer and managerial review prior to releasing data for the measure.

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	DESCRIPTION
Operating Division (s)	Small Business/Self-Employed – Taxpayer Education & Communication
Measure Name	Percent of Business Returns Processed Electronically
Type of Measure	Balance – Budget Level (Outcome) Measure - Business Results Quantity
Program Category	1. Pre-Filing Services
Related Strategic Goal	2. Improve Taxpayer Service and Enhancement of the Tax Law
Responsible Official	Director, Taxpayer Education & Communication
Definition	<p>The percentage of total number of business returns accepted (posted to Business Master File) electronically divided by the total returns received through all sources at IRS sites. Business returns include: 940 magnetic tape, 941 magnetic tape, 941 e-File, 941 OLF, 941 Tele-File, 941 XML, 940 e-File, 940 OLF, 940 XML, 1065 e-File, 1041 e-File/magnetic tape, 1120 and 1120S. Paper returns include 941, 940, 1065, 1041 and 1120/1120S.</p> <p>The number of 941 Employment Tax Returns is reported quarterly for the 941 e-File, On-Line Filing, Tele-File, and Magnetic Media Programs (XML). The reporting periods are December, March, June and September (Fiscal Year Report).</p>

	<p>The number of 940 Unemployment Tax Returns is reported annually. The reporting period is by Feb 10th, if all deposits of the FUTA tax are timely (Fiscal Year Report). Totals are counted in the year received and processed and “not” for the actual tax filing period (i.e., 940 returns for 2003 tax filing period were received and processed in the reporting period ending by Feb. 10th, 2004).</p> <p>The number of 1065 Partnership Returns is reported quarterly, ending shortly after the expiration of the last extension, September 15th of each filing season. Final totals are usually available and reported by Nov. 15th. Cumulative volumes are also maintained weekly during the filing season.</p> <p>The number of 1041 Fiduciary Income Tax Returns is reported monthly.</p> <p>The number of 1120 Corporate Tax Returns will be reported for 1120 and 1120S returns. The information will be filed quarterly. Tax Year 2003 is the first time the 1120/1120s returns could be filed electronically.</p>
a. Reporting Level (s)	IRS
b. Report Data Source	MCC, BMG Masterfile
c. Reports	701 Extract DataMart
Formula/Methodology	<p>The number of business returns filed electronically is generated at Masterfile based on the Analysis of File Locator Codes, Doc Code and in some cases the Blocking Series and reported on the report. Volumes (Monthly + Cum to date) are available on a monthly basis.</p> <p>$\% = \frac{\text{Number of Business Returns Filed Electronically (Electronic and Magnetic Tape)}}{\text{Total Number of Business Returns (Electronic, Magnetic Tape and Paper)}}$</p>
Data Source/ Measurement Tools	BMF Masterfile Actual count of returns posted
Reliability of Data	Reasonable accuracy
Frequency of Data Availability/Reporting	Monthly within 10 days of month end.

Purpose of Measure: The measure is percent of the total number of business returns filed electronically, including Magnetic Media Returns. This measure indicates the progress made in complying with the legislative mandate of having 80% of all returns filed electronically by 2007.

Data Limitations: Changes to File Locator Codes and Doc code blocking serves could impact results.

Calculation Changes: None

Complete Description of the Process: SB/SE taxpayers and practitioner use e-File as the method for filing returns. Returns are processed by Tennessee Computing Center and posted to Masterfile. Masterfile generates a 701 extract from which the figures are obtained.

Critical Path:

1. The ETA report and the IIRAPHQ report from Submission Processing are owned and maintained by those functions. The path taken to input data into those reports is not known.
2. Data is pulled from ETA report.
3. Data is pulled from the IIRAPHQ report4.

Management Controls for items on critical path:

1. At each Submission Processing Center, managerial oversight is used to ensure that the balancing instructions for the Balance Forward Listing are followed and that necessary adjustments are made.
2. Management Officials review "II" Report prior to its release to Headquarters personnel.
3. Headquarters Personnel release preliminary data for peer and managerial review prior to releasing data for the measure.

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3. Enhance Enforcement of Tax Law

	DESCRIPTION
Operating Division (s)	Small Business/Self Employed Compliance Services, Automated Underreporter (AUR) (PAC 7E) and Correspondence Exam (PAC 7F)Field Examination (PAC 7G)
Measure Name	Examination Coverage Individual (AUR, Correspondence Examination and Field Examination)
Type of Measure	Balanced Measure—Budget Level—Outcome
Program Category Related Strategic Goal	<ol style="list-style-type: none"> 1. Business Results—Quantity 2. Automated Underreporter, Correspondence Examination and Field/Office Examination 3. Enhance Enforcement of the Tax Law
Responsible Official	Owners: Director, Field Examination; Director Compliance Services
Definition	The sum of all individual returns closed by SB/SE (Field Examination, Correspondence Examination and AUR) divided by the total individual return filings for the prior calendar year. Effective: 10/2004
a. Reporting Level (s)	a. SB/SE
b. Report Data Source	<p>b. The sum of all individual returns closed will be extracted as follows:</p> <p><u>NUMERATOR:</u> SB/SE Campus Reporting Compliance-AUR: AUR MISTLE Report SB/SE Campus Reporting Compliance-Correspondence Examination: AIMS Service Center CCDB (Activity Code 530-539) and Work Planning and Control (WP&C) (for Frivolous Filer Program closures only). SB/SE Field and Office Examination: AIMS SB/SE Closed Case Database (CCDB) (Activity Code 530-539)</p> <p><u>DENOMINATOR:</u> The source for the total individual return filings for the prior calendar year is the Office of Research Projections of return filings as shown in IRS Document 6187 (Table 1A).</p>

c. Reports	c.
Formula/Methodology	<p><u>NUMERATOR:</u> The sum total of the following equation: SB/SE AUR contacts counted as: <u>The total number of current year closures of Automated Underreporter cases, from AUR MISTLE, less the current year AUR screen-outs from AUR MISTLE for all three SB/SE Campuses.</u> To compute the total number of current year closures:</p> <ul style="list-style-type: none"> • Use the last MISTLE of the month figure from the 'TOTAL ALL CLOSURES (11-15, 18, 20-29, 35-53, 62-69, 70-74, 80, 82-89, 90-94, 96)' line for each of the tax years the sites are working during the Fiscal Year; • Subtract this amount from the last MISTLE date of the previous Fiscal Year from the 'TOTAL ALL CLOSURES (11-15, 18, 20-29, 35-53, 62-69, 70-74, 80, 82-89, 90-94, 96)' line to get the current total number of closures for the Fiscal Year; • Then subtract the total number "SCREENED OUT (21-29)". To compute the total number of screen-outs: <ul style="list-style-type: none"> ○ use the last MISTLE of the month figure from the 'SCREENED OUT (21-29)' line for each of the tax years the sites are working during the Fiscal Year; ○ subtract this amount from the last MISTLE date of the previous Fiscal Year from the 'SCREENED OUT (21-29)' line to get the current total screen-outs for the Fiscal Year. <p>PLUS SB/SE Correspondence Examination individual returns (both Non-EITC and EITC), closed by all five SB/SE Campuses during the reporting period, including all closures from the AIMS CCDB and Non-AIMS closures from WP&C. (There are three separate WP&C periods in each fiscal year (10/1-12/31, 1/1-6/30, and 7/1-9/30)). The number of return closures equals the sum of the following:</p> <ul style="list-style-type: none"> • From the AIMS CCDB, include AIMS fields (taxable-rtn-cnt) & (non-taxable-rtn-cnt) for Activity Codes 530 through and including 539; • Include non-AIMS closures from the [C_ActPrd] field of the WP&C for Frivolous Filer (m_557) (Ogden SC). Sum of Ogden Campus volumes for Org 82000 and 85000 -

	<p>Function 710 - Programs 91851, 91854, and 91855, 91751 and 91752 in the [C_ActPrd] field of the WP&C for the period.</p> <p>PLUS</p> <p>SB/SE Field and Office Examination individual returns closed by SB/SE Areas during the period. The sum total of the number of closures on the AIMS CCDB for SB/SE [AIMS-BOD-COD = "2"] for the period with Activity Codes 530 through and including 539 for Revenue Agent [EMPLOYEE-TYPE-CD = 1], TA/TCO [EMPLOYEE-TYPE-CD = 2] and TE [EMPLOYEE-TYPE-CD = 9] and ROE [EMPLOYEE-TYPE-CD = 6].</p> <p><u>DENOMINATOR:</u></p> <p>The source for the total individual return filings for the prior calendar year is the Office of Research Projections of return filings as shown in IRS Document 6187 (Table 1A).</p>
Data Source/ Measurement Tools	<p>The sum of all individual returns closed will be extracted as follows:</p> <p><u>NUMERATOR:</u></p> <p>SB/SE Campus Reporting Compliance-AUR: AUR MISTLE Report</p> <p>SB/SE Campus Reporting Compliance-Correspondence Examination: AIMS Service Center CCDB (Activity Code 530-539) and Work Planning and Control (WP&C) (for Frivolous Filer Program closures only).</p> <p>SB/SE Field and Office Examination: AIMS SB/SE Closed Case Database (CCDB) (Activity Code 530-539)</p> <p><u>DENOMINATOR:</u></p> <p>The source for the total individual return filings for the prior calendar year is the Office of Research Projections of return filings as shown in IRS Document 6187 (Table 1A).</p>
Reliability of Data	Reasonably accurate
Frequency of Data Availability/Reporting	Annual

Purpose of Measure: This measure is an indication of the number of individual income tax returns examined by SB/SE Field and Campus operations. Maintaining a presence through audit coverage is a cornerstone of our voluntary compliance system.

Data Limitations: No significant limitations.

Calculation Changes: None.

Complete Description of the Process: SB/SE Field/Office Exam: When individual return examinations (Activity Codes 530-539) are completed, a case-closing document (Form 5344) is completed for each return examined (by the examiner or systemically by the Report Generation System). The closing document contains such data as, type of return, tax year examined, disposal code, amount of additional tax assessment recommended, number of hours spent on the examination, etc. The closing document is either manually or systemically entered into the AIMS database. The Detroit Computing Center (DCC) generates AIMS files reporting cumulative data for the fiscal year. This data is validated and converted into a database. The database reports are used to monitor and report the number of examination return closures.

SB/SE Campus Correspondence Exam: A tax examiner in the campus will be assigned to a case and be responsible for the progress from beginning to end. The results of the examination are entered into Form 5344 (the closing document), which results are captured by AIMS. (Same AIMS procedures as above). Four categories of Frivolous Filer closures are not input into AIMS (Frivolous Return Penalty cases, Claim Disallowance cases, Extract cases, and Erroneous Refund cases). While in process those cases are tracked on a Frivolous Return Penalty ("FRP") database. When the cases are closed, the hours and results of the frivolous return penalty cases are input into the WP&C ("Work Planning and Control") database.

SB/SE AUR: Each case initiated in Automated Underreporter (AUR) results in a closure either in the pre-notice or notice phases. All closing actions are posted on the AUR system through the use of unique process codes that describe the reason and type of closure. Pre-notice closures (no taxpayer contact) include but are not limited to screenouts (discrepancy accounted for on the return), transfers and referrals. Pre-notice closures are not included in the Efficiency Measure numerator. Notice phase closures can be posted at the CP2501, CP2000 or Statutory phases. Tax examiners evaluate taxpayer/practitioner responses to the notice and close cases using process codes that denote the respondent's full or partial agreement or disagreement, no change to the original tax liability, transfer or referral.

Critical Path:

SB/SE Field/Office Exam:

1. The Revenue Agent/Tax Compliance Examiner/Tax Examiner completes the examination and inputs the results onto RGS which produces a Form 5344 case-closing document.
2. The Revenue Agent then turns the case file in to the Group Manager.
3. The Group Manager reviews the case file for completeness and accuracy and closes the case on RGS.
4. The Group Manager passes the case to the Group Secretary for closing.
5. The Group Secretary inputs the Form 5344 data onto ERCS, closes the case on RGS, and sends the case to the Examination Support Unit (ESP) for processing.

6. Tax Examiners in ESP use the Form 5344 and RGS to input the case closing information onto AIMS.
7. AIMS data is validated by the Detroit Computing Center (DCC).
8. AIMS data is converted into a user-friendly database (A-CIS “AIMS-Centralized Information System”).
9. Approved employees query the A-CIS database to obtain electronic reports of AIMS closures.

SB/SE Correspondence Exam:

AIMS Closures -

1. The Tax Examiner enters income information on to RGS, which generates a report to be sent to the Taxpayer and a Form 5344 for closing or default if the taxpayer does not respond.
2. The Tax Examiner puts the case on a closing shelf where it either moves to a clerk for closures or pulled for review by a Quality reviewer or pulled for a caseload review by the Tax Examiner’s Manager.
3. If the case is pulled for review, it is reviewed for accuracy and completeness.
4. The case is returned to the unit clerk who will forward the case to the AIMS closing unit.
5. The clerks in the AIMS closing unit enter the information from the Form 5344 to IDRS.
6. The case is closed on RGS and IDRS at this time and the case is sent to files.
7. AIMS information is validated at Detroit Computing Center.
8. AIMS data is converted into a user-friendly database (A-CIS – AIMS-Centralized Information System).
9. Approved employees query the A-CIS database to obtain electronic reports of AIMS closures.

Frivolous Filers (Non-AIMS closures):

1. The hours and results of each Frivolous Filer case are maintained on a Daily Report by each Tax Examiner.
2. The Daily Report is input by each Tax Examiner into an Access database.
3. The Daily Report data flows through electronically to a weekly Summary Report.
4. The Summary Report data is entered manually by clerical staff on a weekly basis onto BBTS, which uploads to the WP&C.

SB/SE AUR:

Closures -

1. Case opened in AUR.
2. Corresponding return secured.
3. Manual review performed in an attempt to uncover system identified discrepancies on the return.

4. If discrepancy(ies) is accounted for case is closed without further action. Appropriate closing process code is input to AUR. These closures are not included in the Efficiency measure numerator.
5. If after review the discrepancy (ies) remains unaccounted for, a notice that details the discrepancy (ies) is issued to the taxpayer(s).
6. Tax examiners evaluate the responses to determine if the case can be closed based on the information provided.
7. If so, the examiner closes the case by inputting the appropriate process code on AUR.
8. If not, a subsequent or recomputed notice is issued to the taxpayer/practitioner until the case can be closed.
9. Process codes are input onto AUR Control System to document specific actions taken during the exam.
10. Data on the AUR Control System is used to populate MISTLE reports.

Management Controls for items on Critical Path:

SB/SE Field/Office:

Closures –

1. Case closing documents are reviewed for accuracy during sample reviews by managers and quality reviewers.
2. AIMS data is validated prior to distribution.
3. Queries used to retrieve data are reviewed for thoroughness and accuracy.

SB/SE Campus Correspondence Exam:

AIMS Closures –

1. Case closing documents are reviewed for accuracy during sample reviews by managers and quality reviewers.
2. AIMS data is validated prior to distribution.
3. Queries used to retrieve data are reviewed for thoroughness and accuracy.

Frivolous Filers (Non-AIMS Closures):

1. Cases are reviewed by managers for accuracy, timeliness and completeness at any point in the process.
2. Headquarters Analyst reconciles WP&C data to Summary Report in order to validate data.

SB/SE AUR:

Closures –

1. Managerial review samples (phone calls, open and closed cases).
2. Checks and balances are built into the AUR Control System in order to validate data input by Tax Examiners.

3. Physical review of cases by Program Analysis System of cases closed on AUR Control System to ensure appropriate actions taken and accurate process codes were input.

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	DESCRIPTION
Operating Division (s)	Small Business/Self-Employed, Compliance--Field Exam
Measure Name	Exam Quality Field
Type of Measure	Balanced Measure—Critical-Outcome
Program Category	1. Business Results (Quality) 2. Field Examination Tax Reporting Compliance Program
Related Strategic Goal	3. Enhance Enforcement of Tax Law
Responsible Official	Owners: Director: Field Examinations
Definition	The score awarded to a reviewed field examination case by a third party reviewer using the Examination Quality Measurement System (EQMS) quality standards.
a. Reporting Level (s) b. Report Data Source c. Reports	Measurements are reported at the National, Area and Territory levels on a monthly basis. Data is statistically valid at the Area level.
Formula/Methodology	Cases reviewed are measured against eight quality standards. Each standard has a value of 12.5 points for a total possible score of 100. Each standard contains one or more key quality elements for a total of sixteen key quality elements. When a key quality element within a standard is rated as not met, the standard receives a score of 0. Key quality elements are those selected items that have been determined as a prerequisite to a quality case and essential to IRS goals. For non-key quality elements, the reviewer uses professional judgment in determining whether a rating of not met will result in the overall standard receiving a score of 12.5 or 0.
Data Source/ Measurement Tools	Monthly reports supplied from the EQMS database.
Reliability of Data	Reasonable Accuracy. There is a reliable process in place to validate the accuracy of the data being reported.
Frequency of Data Availability/Reporting	Measurement reports are produced monthly at the National, Area and Territory levels. These reports reflect performance for a cumulative period.

Purpose of Measure: The EQMS measure is the Business Results-Quality Balanced Measure for SB/SE income tax examinations.

Data Limitations: Loss of resources prevents timely reviews of cases at the current sample rate. The data is statistically valid at the Area level but not at the Territory level.

Calculation Changes: None

Complete Description of the Process(s) measure originates from: The measure is based on a sample of cases selected from daily closures. Reviewers conduct a technical, procedural and computational review of each sample case according to the quality standards. The entire case file is reviewed to measure the examiners' success in meeting their job responsibilities as outlined in the IRM. The sampling plan allows for statistically valid data at the National and Area level on an annual basis. The cases reviewed are measured against eight quality standards, with points ratably assigned to each quality standard.

Critical Path:

1. Closed examination case sampled and received by review site
2. Reviewer evaluates case
3. Results of review are input to database
4. Data exported monthly to Performance Analysis
5. Data/reports furnished to customers monthly

Management Controls for items on critical path:

1. Site consistency case reviews held regularly/Minutes of meeting are documented.
2. National consistency case reviews held bimonthly/Minute of meeting are documented.

3. Tri-site consistency meetings held quarterly (travel permitting)/Minutes of meeting are documented.
4. Areas of disagreement submitted to web site/Resolutions posted to web site.
5. Site managers perform documented case reviews, workload reviews and narrative reviews for employees.
6. Periodic site review of narratives/Narrative report.
7. Periodic national review of narratives/Report of findings.
8. Database validity checks performed at site level/Query reports.
9. Database validity checks performed at national level/Error reports.

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	DESCRIPTION
Operating Division (s)	Small Business & Self-Employed, Compliance--Field Exam
Measure Name	Exam Case Quality Score Office
Type of Measure	Balanced Measure—Critical
Program Category Related Strategic Goal	1. Office Examination Tax Reporting Compliance Program 2. Service To All Taxpayers
Responsible Official	Director, Strategy, Research & Performance Management
Definition	The score awarded to a reviewed Office Examination case by a Quality Reviewer using the Examination Quality Measurement System (EQMS) quality standards.
a. Reporting Level (s) b. Report Data Source c. Reports	National, Area Office
Formula/Methodology	The EQMS composite score is based on 8 quality standards, with a variety of elements within each standard. Each standard has a value of 12.5 points. However, 16 elements have been designated as key and are weighted more heavily. Failure to meet a key element within a standard results in 0 points for the overall standard. For non-key elements, the reviewer uses professional judgment in determining whether a rating of not met will result in the overall standard receiving 12.5 points or 0 points.

Data Source/ Measurement Tools	Examination Quality Measurement System
Reliability of Data	<p>Reasonable Accuracy – Factors that influence the reliability of the data include the accuracy of individual case reviews, sample size, age of sample being reviewed, and accuracy of case selection. EQMS sites have established a 3-tier validity process to ensure consistency of case reviews. Each site conducts regularly scheduled meetings, where all reviewers evaluate the same case. Ratings are discussed to arrive at a consensus. Areas of disagreement are elevated to a national consistency team for resolution. Additionally, bimonthly the EQMS site chiefs review cases that have been previously reviewed by all reviewers in the country to discuss any deviations in applying the quality standards. Quarterly tri-site meetings (travel permitting) are held between sites on a rotational basis to review and evaluate the same case for consistency purposes. The sample is currently statistically valid at the area level.</p> <p>Strategy, Research & Performance Management (SRPM) is now evaluating the costs of sampling at a lower level. Cases reviewed are compiled electronically and distributed to Area offices on a monthly basis. A web based report feature is also available on the SRPM web site. Sample cases are manually pulled by case processing staff. An ACE report is available to assist in the monitoring of the sample process. A Request for Information Services has been submitted to request programming for automating the sample pull. This is not expected to be resolved in the near future due to other MITS priorities. The database contains built-in validity checks to enhance accuracy as the reviewers input data. Validity checks are performed on the raw data at three levels (reviewer, site, national) with a fourth level to be included during FY 2002. SRPM is re-examining all the named relevant factors in conjunction with the new organization to better ensure the accuracy of EQMS data.</p>
Frequency of Data Availability/Reporting	Monthly

Purpose of Measure:

The EQMS measure is the Business Results-Quality Balanced Measure for SB/SE income tax examinations.

Data Limitations:

Loss of resources prevents timely reviews of cases at the current sample rate. The data is statistically valid at the Area level but not at the Territory level.

Calculation Changes:

N/A

Complete Description of the Process(s) measure originates from:

The measure is based on a sample of cases selected from daily closures. Reviewers conduct a technical, procedural and computational review of each sample case according to the quality standards. The entire case file is reviewed to measure the examiners' success in meeting their job responsibilities as outlined in the IRM. The sampling plan allows for statistically valid data at the National and Area level on an annual basis. The cases reviewed are measured against eight quality standards, with points ratably assigned to each quality standard.

Critical Path:

1. Closed examination case sampled and received by review site
2. Reviewer evaluates case
3. Results of review are input to database
4. Data exported monthly to Performance Analysis
5. Data/reports furnished to customers monthly

Management Controls for items on critical path:

1. Site consistency case reviews held regularly/Minutes of meeting are documented.
2. National consistency case reviews held bimonthly/Minute of meeting are documented.
3. Tri-site consistency meetings held quarterly (travel permitting)/Minutes of meeting are documented.
4. Areas of disagreement submitted to web site/Resolutions posted to web site.
5. Site managers perform documented case reviews, workload reviews and narrative reviews for employees.
6. Periodic site review of narratives/Narrative report.
7. Periodic national review of narratives/Report of findings.
8. Database validity checks performed at site level/Query reports.
9. Database validity checks performed at national level/Error reports.

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	DESCRIPTION
Operating Division (s)	Large & Midsize Business
Measure Name	Examination Coverage Business
Type of Measure	Business Result – Quantity-Outcome
Program Category	1. Tax Reporting Compliance
Related Strategic Goal	2. Enhance Enforcement of Tax Law
Responsible Official	Director, Performance, Quality and Assistance
Definition	LMSB "customer base" returns, examined and closed by LMSB during the current Fiscal Year, divided by Filings for the preceding calendar year.
a. Reporting Level (s)	a) The calculation is made at the LMSB level.
b. Report Data Source	b) AIMS CCDB and Document 6186
c. Reports	c) Results are reported in the Business Performance Summary.
Formula/Methodology	See computation description below.
Data Source/ Measurement Tools	The number of returns examined and closed during the Fiscal Year is from the Audit Information Management System (AIMS) closed case database, accessed via A-CIS (an MS Access application). Filings are from Document 6186, which is issued by the Office of Research, Analysis and Statistics. Partnership filings are computed in a special run by Research, when they create the Document 6186.
Reliability of Data	Reasonable Accuracy – the AIMS reporting system contains programming to eliminate potential multiple counting of multiple closures of the same return (e.g. – a return closes from Exam to Appeals, is returned to Exam for further work and then is closed from Exam a second time). The processing of closed cases is integrated with the AIMS reporting system. In addition, periodic manual inventory validations are conducted to ensure, among other things; returns that have physically closed from the examination process have been closed on the AIMS system.
Frequency of Data Availability/Reporting	The calculation is made at the end of the current Fiscal Year, after the year end AIMS closed case database is received.

Purpose of Measure: We have found that increasing the number of examinations has a positive effect on voluntary compliance. We set goals in a wide variety of return classes and track how many examinations have been completed. We compute Audit Coverage to determine how we are impacting on the entire filing population of LMSB type taxpayers.

Data Limitations: The data accurately reflects the inventory of LMSB returns examined and closed. The examiner cannot charge time to a return if it is not on AIMS. All LMSB closed records are reflected in the A-CIS AIMS Closed Case Database that is used to compute the results for this measure. Document 6186 is an accurate count of the return filings for the calendar year in each return class.

Calculation Changes: None.

Complete Description of the Process: Customer Base Returns:

1. We compute LMSB coverage only on returns in the LMSB Customer Base. The Customer Base consists of returns with assets of \$10M or more. They include only returns examined by LMSB; returns may be either examined in the IC or CIC Programs.
2. Corporations: We compute coverage only on those with assets of \$10M and over; so we must identify by asset class.
3. Partnerships: We assume all partnerships audited in LMSB are \$10M and over. Partnership return classes are not synonymous with asset size and cannot easily be identified by asset size. An assumption is, therefore, made that all partnerships examined in LMSB are LMSB returns.
4. Sub S Corps: We compute coverage only on those with assets of \$10M and over; so we must identify by asset class.
5. Individual returns and other return categories (employment tax, fiduciary, etc.), Corporations with assets < \$10M: These entities are not considered in the LMSB coverage computation because they are not in the LMSB Customer Base—but they do count toward LMSB accomplishments and they are reflected in the Workplan. These returns are examined solely as related to an LMSB Customer Base return. (In FY05 that is approx. 25% of the projected closures). For example, an SBSE return closed in LMSB gets counted for LMSB accomplishments; but does not get counted for purposes of computing LMSB coverage.

6. Certain returns such as corporations with no asset balance sheets or 1120Fs may be part of the LMSB customer base. However, they are not included because the number examined is not significant and/or it is simply not possible to distinguish which ones are a part of the Customer Base and which ones are simply related examinations.
 7. Filings Number: This number is updated annually by the Office of Research, Analysis, and Statistics in Document 6186. The document provides return filings by type and asset class. Each year the document provides actual filings for the previous calendar year and estimated filings for 8 out years. Only those filings in the LMSB coverage classes are used. It is important to keep in mind that since these are estimates they may vary from year to year.
 8. When the LMSB coverage numbers are matched to the high level planning charts, they won't match because the high level planning charts compute program results rather than closures by asset class. Therefore, subsidiary charts to the high level charts must be used to determine return closures by asset class.
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Basic formula: Closures for the current fiscal year divided by Filings for the preceding calendar year = Coverage Rate

Example: Coverage in LMSB Classes for FY05

LMSB Classes	FY 05 Coverage	Projected Closures/2004 Filings
All corp. coverage (IC/CIC)> \$10M	16.3%	8,950 closures/55,000 filings= 16.3%
Corp. \$10M & < \$250M	12.2%	5,388 closures/44,300 filings= 12.2%
All coverage \$10M & > includes Partnerships & S Corp \$10M and over	7.1%	11,897 closures/167,300 filings= 7.1%

When looking at what impacts coverage, consider the following:

If filings go up and FTE stays the same, coverage would be expected to decrease assuming no change in productivity or return mix.

If filings go up and FTE goes up, coverage would be expected to stay the same assuming no change in productivity or return mix.

If filings go up and FTE goes down, coverage would be expected to decrease assuming no change in productivity or return mix.

If filings go down and FTE stays the same, coverage would be expected to increase assuming no change in return mix.

If filings go down and FTE goes up, coverage goes up, down or stays the same.

Critical Path:

1. The Revenue Agent completes the examination and turns the case file in to the Team Manager.
2. The Team Manager reviews the case file and passes it on to the Team Secretary for closing.
3. The Team Secretary determines that the closing documents are complete and accurate and sends the case on the Examination Support Unit (ESP) for processing.
4. Tax Examiners in ESP enter data (disposal code) into ERCS (Memphis) using Form 5344.
5. LMSB picks closing codes and downloads data dump to (A-CIS) Access database (Atlanta server).
6. The A-CIS Coordinator (an SBSE employee in Plantation, FL) uploads to A-CIS, and sends email to BODs to inform that data is available.
7. (LMSB Analyst - Chicago) downloads LMSB version of data.
8. (LMSB Analyst - Chicago) populates his spreadsheet, and provides data to OPD.

The AIMS Closed Case Database is used. The raw AIMS data moves from the Detroit Data Center to the A-CIS program and is converted to an Access database format. Document 6186 is procured from the Office of Research, Analysis and Statistics and used with the AIMS data on closings.

Management Controls for items on critical path The data is not released to (ACIS Coordinator - Plantation, FL) to create the A-CIS database files for the month, until the validity checks are completed.

1. Examination Support & Processing (ESP) group (SBSE) validates data on AIMS (Detroit server) and makes necessary correction.
2. LMSB picks closing codes and downloads data down to (A-CIS) Access database (Atlanta server). Charles Johnson (Plantation, FL) validates data, uploads to A-CIS.
3. (LMSB - Chicago) downloads LMSB version of data and performs data validation before providing data to CPP.
4. The information is Document 6186 is validated by the Office of Research, Analysis and Statistics before it is released.

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	DESCRIPTION
Operating Division (s)	Small Business/Self Employed Compliance Services, Automated Underreporter (AUR) (PAC 7E) and Correspondence Exam (PAC 7F)Field Examination (PAC 7G)
Measure Name	Examination Efficiency (AUR, Corr Exam and Field Exam) (Individual Only)
Type of Measure	Balanced Measure—Budget Level—Efficiency
Program Category Related Strategic Goal	1. Business Results—Efficiency 2. AUR, Corr Exam & Field Exam 3. Enhance Enforcement of the Tax Law
Responsible Official	Owners: Field Examination; Director, Compliance Services
Definition	The sum of all individual returns closed by SB/SE (Field Exam, Correspondence Exam & AUR) divided by the Total FTE's expended in relation to those individual returns. Effective: 10/2004
a. Reporting Level (s) b. Report Data Source c. Reports	SB/SE
Formula/Methodology	<u>NUMERATOR:</u> The sum total of the following equation: SB/SE AUR contacts counted as: <u>The total number of current year closures of Automated Underreporter cases, from AUR MISTLE, less the current year AUR screen-outs from AUR MISTLE for all three SB/SE Campuses.</u> To compute the total number of current year closures: <ul style="list-style-type: none"> • use the last MISTLE of the month figure from the 'TOTAL ALL CLOSURES (11-15, 18,

	<p>20-29, 35-53, 62-69, 70-74, 80, 82-89, 90-94, 96)' line for each of the tax years the sites are working during the Fiscal Year;</p> <ul style="list-style-type: none"> • subtract this amount from the last MISTLE date of the previous Fiscal Year from the 'TOTAL ALL CLOSURES (11-15, 18, 20-29, 35-53, 62-69, 70-74, 80, 82-89, 90-94, 96)' line to get the current total number of closures for the Fiscal Year; • subtract the total number "SCREENED OUT (21-29)". To compute the total number of screen-outs: <ul style="list-style-type: none"> ○ use the last MISTLE of the month figure from the 'SCREENED OUT (21-29)' line for each of the tax years the sites are working during the Fiscal Year; ○ subtract this amount from the last MISTLE date of the previous Fiscal Year from the 'SCREENED OUT (21-29)' line to get the current total screen-outs for the Fiscal Year. <p>PLUS</p> <p>SB/SE Correspondence Examination individual returns (both Non-EITC and EITC), closed by all five SB/SE Campuses during the reporting period, including all closures from the AIMS CCDB and Non-AIMS closures from WP&C. (There are three separate WP&C periods in each fiscal year (10/1-12/31, 1/1-6/30, and 7/1-9/30)). The number of return closures equals the sum of the following:</p> <ul style="list-style-type: none"> • From the AIMS CCDB, include AIMS fields (taxable-rtn-cnt) & (non-taxable-rtn-cnt) for Activity Codes 530 through and including 539; • Include non-AIMS closures from the [C_ActPrd] field of the WP&C for Frivolous Filer (m_557) (Ogden SC). Sum of Ogden Campus volumes for Org 82000 and 85000 - Function 710 - Programs 91851, 91854, and 91855, 91751 and 91752 in the [C_ActPrd] field of the WP&C for the period. <p>PLUS</p> <p>SB/SE Field and Office Examination individual returns closed by SB/SE Areas during the period. The sum total of the number of closures on the AIMS CCDB for SB/SE [AIMS-BOD-COD = "2"] for the period with Activity Codes 530 through and including 539 for Revenue Agent [EMPLOYEE-TYPE-CD = 1], TA/TCO [EMPLOYEE-TYPE-CD = 2], TE [EMPLOYEE-TYPE-CD = 9] and ROE [EMPLOYEE-TYPE-CD = 6].</p> <p><u>DENOMINATOR:</u></p> <p>The sum total of the following equation:</p> <p>SB/SE Field/Office Exam Individual FTE's (requires allocation of individual FTE from total</p>
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	<p>based on direct exam staff years (DESYs) realized – requires use of both Exam’s time reporting system [SETTS] and IFS):</p> <ul style="list-style-type: none"> • <u>Step 1:</u> <i>Determine DESYs applied to individual returns:</i> Utilize the AIMS SETTS Database to generate the DESY Report for the period as follows: Category - All Returns; Set query to include only those returns in Activity Codes 530-539 = Total Individual Return DESY’s applied during the period; • <u>Step 2:</u> <i>Determine DESYs applied to all return types:</i> Generate the same report as in Step 1, except <u>do not</u> limit returns to Activity Codes 530-539 and do not exclude position code 213 = DESYs from all return types generated during the period, • <u>Step 3:</u> <i>Determine the ratio needed to allocate the FTE realized on individual returns:</i> Divide the “Total Ret Exam Act “ result in Step 1 (Individual DESY) by the “Total Ret Exam Act” line item (DESY from all return types) on the DESY Report generated in Step 2; • <u>Step 4:</u> <i>Determine the portion of the overhead to be allocated to individual return FTE:</i> Multiply the ratio calculated in Step 3 by the result of (“Total Staff Years” less “Tot Ret Exam Act”) line items on the DESY Report generated in Step 2 = Overhead Allocated to Individual Returns; • <u>Step 5:</u> <i>Determine individual FTE from SETTS:</i> Add Total in Step 1 to Total in Step 4; • <u>Step 6:</u> <i>Determine remaining FTE in PAC that are not included on SETTS (i.e., Administrative, Headquarters, etc):</i> Subtract Total FTE’s (per Step 2) from Total PAC 7G FTE’s (per IFS); • <u>Step 7:</u> <i>Determine allocation of overhead FTE from IFS (calculated in Step 6) to individual FTE:</i> Multiply the percentage calculated in Step 3 by result in Step 6; <p><u>Step 8:</u> <i>To determine to Field Exam Individual FTE:</i> ADD Total Individual FTE’s</p> <ul style="list-style-type: none"> • (per Step 5) to Total Individual FTE’s (per Step 7) = Total Field/Office Individual Exam FTE’s. <p>PLUS</p> <p>SB/SE Compliance Services – Correspondence Examination & AUR FTEs:</p> <p>FTE’s will be provided by Budget from IFS (excluding CAWR/FUTA, Case Processing and ASFR). Budget will allocate Campus Director time between Exam and Collection.</p>
Data Source/ Measurement Tools	<p><u>NUMERATOR:</u></p> <p>The sum of all individual returns closed will be extracted as follows:</p> <p>SB/SE Field and Office Examination: AIMS Field Exam Closed Case Database (CCDB)</p>

	(Activity Code 530 – 539) SB/SE Campus Reporting Compliance-AUR: AUR MISTLE Report SB/SE Campus Reporting Compliance-Correspondence Examination: AIMS Service Center CCDB (Activity code 530-539) and Work Planning and Control (WP&C) (for Frivolous Filer Program only). <u>DENOMINATOR:</u> The sum of all FTE's for the individual return programs will be extracted as follows: SB/SE Field and Office Examination: Integrated Financial System (IFS); AIMS SETTS Database SB/SE Campus Reporting Compliance-Correspondence Examination and AUR: Integrated Financial System (IFS) and Resource Allocation Report ("RAR") produced by William Stuart, CWSD, and Workload Planning. The RAR is available on the Compliance Services website, Planning Measures & Monitoring, Resource Reports. The originating source is the WP&C.
Reliability of Data	Reasonably accurate
Frequency of Data Availability/Reporting	Annual

Purpose of Measure: This measure demonstrates how efficiently resources are expended within SB/SE in closing individual returns.

Data Limitations: MIS will not provide an allocation of Field Exam Individual (IMF) FTE or the split between Exam and Collection for the Compliance Services campus Directors. This allocation will be prepared manually. MIS does not provide an allocation of Correspondence Exam IMF FTEs. Due to the insignificant number of BMF closures by that function, no allocation is being prepared between the IMF and BMF FTE.

Calculation Changes: None.

Complete Description of the Process: SB/SE Field/Office Exam: Closures: When individual return examinations (Activity Codes 530-539) are completed, a case-closing document (Form 5344) is completed for each return examined (by the examiner or systemically by the Report Generation System "RGS"). The closing document contains such data as, type of return, tax year examined, disposal code, amount of additional tax assessment recommended, number of hours spent on the examination, etc. The closing document is either manually or systemically entered into the AIMS database. The Detroit Computing Center (DCC) generates AIMS files reporting cumulative data for the fiscal year. This data is validated and

converted into a database. The database reports are used to monitor and report the number of examination return closures. Time: Examiners complete a Form 4502 to record the time charged on each exam. The time on the 4502 is input onto ERCS ("Examination Returns Control System"). At the end of the cycle ERCS uploads the data onto the SETTS database, which provides data on a monthly basis on direct and overhead time applied.

SB/SE Campus Correspondence Exam: Closures: A tax examiner in the campus will be assigned to a case and be responsible for the progress from beginning to end. The results of the examination are entered into Form 5344 (the closing document), which results are captured by AIMS. (Same AIMS procedures as above). Four categories of Frivolous Filer closures are not input into AIMS (Frivolous Return Penalty cases, Claim Disallowance cases, Extract cases, and Erroneous Refund cases). While in process those cases are tracked on a Frivolous Return Penalty ("FRP") database. When the cases are closed, the hours and results of the frivolous return penalty cases are input into the WP&C ("Work Planning and Control") database. Time: Examiners complete Form 3081 to record time charged to each program code. Hours from Form 3081 are input onto the WP&C system, which tracks the hours expended on AIMS and non-AIMS closures.

SB/SE AUR: Each case initiated in Automated Underreporter (AUR) results in a closure either in the pre-notice or notice phases. All closing actions are posted on the AUR system through the use of unique process codes that describe the reason and type of closure. Pre-notice closures (no taxpayer contact) include but are not limited to screenouts (discrepancy accounted for on the return), transfers and referrals. Pre-notice closures are not included in the Efficiency Measure numerator. Notice phase closures can be posted at the CP2501, CP2000 or Statutory phases. Tax examiners evaluate taxpayer/practitioner responses to the notice and close cases using process codes that denote the respondent's full or partial agreement or disagreement, no change to the original tax liability, transfer or referral. Time: Examiners complete Form 3081 to record time charged to each program code. The Form 3081 is input onto the WP&C system, which is extracted into a Resource Allocation Report.

Critical Path: SB/SE Field/Office Exam:

Closures -

1. The Revenue Agent/Tax Compliance Examiner/Tax Examiner completes the examination and inputs the results into RGS, which produces a Form 5344 case-closing document.
2. The Revenue Agent then turns the case file in to the Group Manager.
3. The Group Manager reviews the case file for completeness and accuracy and closes the case on RGS.
4. The Group Manager passes the case to the Group Secretary for closing.
5. The Group Secretary inputs the Form 5344 data onto ERCS, closes the case on RGS, and sends the case to the Examination Support Unit (ESP) for processing.

6. Tax Examiners in ESP use the Form 5344 and RGS to input the case closing information onto AIMS.
7. AIMS files are created and by the Detroit Computing Center ("DCC") and validated by the Exam MIS section.
8. AIMS data is converted into a user-friendly database (A-CIS – AIMS-Centralized Information System).
9. Approved employees query the A-CIS database to obtain electronic reports of AIMS closures.
10. Time -
11. Examiners complete Form 4502 on a monthly basis.
12. Examiners submit Form 4502 to group secretary.
13. Group Secretary inputs Form 4502 information onto ERCS.
14. At end of cycle, ERCS data is uploaded to National SETTS database.
15. SETTS data is validated by the DCC.
16. SETTS data is converted into a user-friendly database (A-CIS – AIMS-Centralized Information System).
17. Approved employees query A-CIS database to obtain electronic reports of AIMS closures.

SB/SE Correspondence Exam:

Closures –

AIMS Closures -

1. The Tax Examiner enters income information on to RGS, which generates a report to be sent to the Taxpayer and a Form 5344 for closing or default if the taxpayer does not respond.
2. The Tax Examiner puts the case on a closing shelf where it either moves to a clerk for closures or pulled for review by a Quality reviewer or pulled for a caseload review by the Tax Examiners Manager.
3. If the case is pulled for review, it is reviewed for accuracy and completeness.
4. The case is returned to the unit clerk who will forward the case to the AIMS closing unit.
5. The clerks in the AIMS closing unit enter the information from the Form 5344 to IDRS.
6. The case is closed on RGS and IDRS at this time and the case is sent to files.
7. AIMS information is validated at Detroit Computing Center.
8. AIMS data is converted into a user-friendly database (A-CIS – AIMS-Centralized Information System).
9. Approved employees query the A-CIS database to obtain electronic reports of AIMS closures.
10. Frivolous Filers (Non-AIMS closures):
11. The hours and results of each Frivolous Filer case are maintained on a Daily Report by each Tax Examiner.
12. The Daily Report is input by each Tax Examiner into an Access database.
13. The Daily Report data flows through electronically to a weekly Summary Report.
14. The Summary Report data is entered manually by clerical staff on a weekly basis onto BBTS, which uploads to the WP&C.

15. Time -
16. Examiner completes Form 3081 with time charges to the Program Code being worked.
17. Examiner submits Form 3081 to Manager.
18. Manager inputs Form 3081 onto the WP&C.

SB/SE AUR:

Closures -

1. Case opened in AUR.
2. Corresponding return secured.
3. Manual review performed in an attempt to uncover system identified discrepancies on the return.
4. If discrepancy(ies) is accounted for case is closed without further action. Appropriate closing process code is input to AUR. These closures are not included in the Efficiency measure numerator.
5. If after review the discrepancy(ies) remains unaccounted for, a notice that details the discrepancy(ies) is issued to the taxpayer(s).
6. Tax examiners evaluate the responses to determine if the case can be closed based on the information provided.
7. If so, the examiner closes the case by inputting the appropriate process code on AUR.
8. If not, a subsequent or recomputed notice is issued to the taxpayer/practitioner until the case can be closed.
9. Process codes are input onto AUR Control System to document specific actions taken during the exam.
10. Data on the AUR Control System is used to populate MISTLE reports.

Time –

1. Examiner completes Form 3081 with time charges to the Program Code being worked.
2. Examiner submits Form 3081 to Manager.
3. Manager inputs Form 3081 onto the WP&C.
4. WP&C data is extracted into Resource Allocation Report.

Management Controls for items on Critical Path:

SB/SE Field/Office:

Closures -

1. Case closing documents are reviewed for accuracy during sample reviews by managers and quality reviewers.
2. AIMS data is validated prior to distribution.
3. Queries used to retrieve data are reviewed for thoroughness and accuracy.

Time –

1. Manager reviews Form 4502 for accuracy and appropriate time charges.
2. Area ERCS Coordinator uploads Area data to National SETTS database, which runs a validation on the data.
3. Area ERCS Coordinator then uploads data onto the DCC database.
4. DCC runs a validity check on the data, which is processed for Table 37.
5. Headquarters ERCS staff runs a final validity check on the data before forwarding it to A-CIS.

SB/SE Campus Correspondence Exam:

AIMS Closures -

1. Case closing documents are reviewed for accuracy during sample reviews by managers and quality reviewers.
2. AIMS data is validated prior to distribution.
3. Queries used to retrieve data are reviewed for thoroughness and accuracy.

Frivolous Filers (Non-AIMS Closures):

1. Cases are reviewed by managers for accuracy, timeliness and completeness at any point in the process.
2. Headquarters Analyst reconciles WP&C data to Summary Report in order to validate data.

Time -

1. Managers review 3081 prior to input to verify that time is appropriately charged.
2. WP&C monitored to ensure appropriate time usage.

SB/SE AUR:

Closures –

1. Managerial review samples (phone calls, open and closed cases).
2. Checks and balances exist in the AUR Control System to validate the input.
3. Sample physical review of cases closed on the AUR Control System by Program Analysis System (“PAS”) for accuracy and appropriateness of actions.

Time -

1. Managers review 3081 prior to input to verify that time is appropriately charged.
2. WP&C monitored to ensure appropriate time usage.

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	DESCRIPTION
Operating Division (s)	Large and Mid-Size Business
Measure Name	Case Quality Score-Industry Cases
Type of Measure	Business Results-Quality-Outcome
Program Category Related Strategic Goal	1. Post Filing Compliance Services 2. Enhance Enforcement of Tax Law
Responsible Official	Director, Performance, Quality and Innovation
Definition	Average of the percentage of Critical Elements that were passed on Industry cases reviewed.
a. Reporting Level (s) b. Report Data Source c. Reports	Reports, broken out by industries, will be distributed down to Headquarters and Industry Directors
Formula/Methodology	A statistically valid random sample of Industry Cases are reviewed. A determination is made about whether each Critical Element has been passed or failed on each case.
Data Source/ Measurement Tools	The LMSB Quality Measurement System (LQMS) database is used. This is Microsoft Access database. The database is maintained by the LQMS Programmer in Chicago.
Reliability of Data	Reasonable Accuracy – a statistically valid random sample is used to select taxpayers to review. The Examination Records Control System (ERCS) database is used to identify the universe of taxpayers that will be reviewed. ERCS is a reasonably accurate source of data on closed cases.
Frequency of Data Availability/Reporting	Results are consolidated on a quarterly basis. The reported results are for the Fiscal Year to Date. The results are reported on a quarterly basis.

Purpose of Measure: Case Quality is a major component of Business Results. The LQMS reviews both determine overall success in the area of quality, but also identify specific areas of casework that are either very good (where we should then look for best practices) or weak (where we need to improve).

Data Limitations: The data accurately reflects the professional opinion of the LQMS Reviewer as to how successfully the case has met the Critical Elements. The Reviewers are all experienced examiners and have been trained as LQMS Reviewers. They have specific guidelines to assist them in making their determinations. The review teams conduct

consistency meetings on a regular basis. This assists with the goal of having consistent determinations made on all cases reviewed.

Calculation Changes: Numerous changes have been made to the definitions of Critical Elements, and the number Elements reviewed, for the FY2003 Fiscal Year. LQMS was a new concept when LMSB stood up in FY2000. These changes were made to improve the efficiency of the review process.

Complete Description of the Process(s) measure originates from: Examination group closes the return to Case Processing and closing information is reported in ERCS. A random sample of closed returns is selected for review and the case files are sent to centralized review groups in Manhattan and Chicago. Quarterly, the review results are extracted and reports (both quarterly and 12-month rolling average) are prepared. Trends are identified and actions to improve results are recommended.

Critical Path:

1. The examination is completed by the group and the case is closed by the ESP unit.
2. The closing information flows into the ERCS Database.
3. An LMSB Analyst in Manhattan runs an ERCS custom report from the ERCS Local Reports Menu on a daily basis. This report identifies all Industry returns closed by the Examination Teams to ESP on that date. The Analyst uses the report in a process that identifies a random sample of the closed returns.
4. The Analyst contacts the ESP Groups that have control of the returns and directs them to send the case file to one of the LQMS Industry Review Groups. The groups are located in Manhattan and Chicago.
5. The LQMS Industry Reviewers conduct the review of the case and enter their determinations into an input document. That information is rolled up the LQMS database.
6. The Review Teams have regularly scheduled meetings to ensure that consistent determinations on made on similar cases.
7. On a quarterly basis, the LQMS Programmer (a LMSB employee in Chicago) extracts the results for the reviews conducted in the quarter. He converts this into Fiscal Year to Date overall results for each Industry and DFO.
8. A team of LQMS Managers and Analysts review the results and prepare a report covering the quarter's results. This report covers both all specific elements reviewed and the overall scores. Trends are identified and actions to improve results are recommended.
9. The LMSB Analyst who prepares the tracking reports (in Chicago) receives the overall results from this team and enters the results into the various tracking reports.

Management Controls for items on critical path: There are controls and validity checks built into the ERCS database that ensure that is captures all closed cases. The LQMS Industry Review Team Managers regularly review the work being performed by the Reviewers. Each Review Group has two senior Review Team Leaders (GS-14 employees) and they are actively involved in overseeing the reviews being conducted by their team members.

The groups have regularly scheduled meetings at which consistent determinations on issues is reviewed by the entire group of Reviewers. The team of Managers and Analysts that prepare the quarterly reports are involved in reviewing the conclusions for mistakes and inconsistencies. The Industry LQMS Program Managers also performs reviews of the work processes in the Industry LQMS Groups.

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	DESCRIPTION
Operating Division (s)	Large and Mid-Size Business
Measure Name	Case Quality Score-Coordinated Industry Cases
Type of Measure	Business Results-Quality-Outcome
Program Category	1. Post Filing Compliance Services
Related Strategic Goal	2. Enhance Enforcement of Tax Law
Responsible Official	Director, Performance, Quality and Innovation
Definition	Average of the percentage of Critical Elements that were passed on Coordinated Industry cases reviewed.
a. Reporting Level (s) b. Report Data Source c. Reports	Reports, broken out by industries, will be distributed down to Headquarters and Industry Directors
Formula/Methodology	All Coordinated Industry Cases are reviewed at three milestone points during the examination: when the Audit Plan is approved, at the half way point and upon completion. A determination is made about whether each Critical Element has been passed or failed on each case.
Data Source/ Measurement Tools	The LMSB Quality Measurement System (LQMS) database is used. This is Microsoft Access database. The database is maintained by the LQMS Programmer in Chicago.

Reliability of Data	Reasonable Accuracy – the CIC LQM Reviewers use their professional judgment when examining case documents and when discussing the case with the Exam Team.
Frequency of Data Availability/Reporting	Results are consolidated on a quarterly basis. The reported results are for the Fiscal Year to Date. The results are reported on a quarterly basis.

Purpose of Measure: Case Quality is a major component of Business Results. The LQMS reviews both determine overall success in the area of quality, but also identify specific areas of casework that are either very good (where we should then look for best practices) or weak (where we need to improve).

Data Limitations: The data accurately reflects the professional opinion of the LQMS Reviewer as to how successfully the case has met the Critical Elements. The Reviewers are all experienced examiners and have been trained as LQMS Reviewers. They have specific guidelines to assist them in making their determinations. The review teams conduct consistency meetings on a regular basis. This assists with the goal of having consistent determinations made on all cases reviewed. Some information used in selecting cases to review comes out of CEMIS. The Exam Teams are responsible for keeping CEMIS up to date. CEMIS has rather limited validity checks and controls. The universe of CIC Cases available to review is small enough that any CEMIS problems are not significant.

Calculation Changes: Numerous changes have been made to the definitions of Critical Elements, and the number Elements reviewed, for the FY2003 Fiscal Year. LQMS was a new concept when LMSB stood up in FY2000. These changes were made to improve the efficiency of the review process.

Complete Description of the Process(s) measure originates from: Examination group enters cases on CEMIS. Cases are reviewed during any given time period by a Review Team and a closing conference is held with the CIC Examination Team. The LQMS Coordinated Industry Reviewers enter their determinations into an input document, which is rolled up the LQMS database. Quarterly, the review results are extracted and reports (both quarterly and 12-month rolling average) are prepared. Trends are identified and actions to improve results are recommended.

Critical Path: The Exam Team working the CIC Case updates the CEMIS system on a regular basis with examination milestone completion data.

The CIC LQMS Group uses CEMIS to determine which cases need to be scheduled for review during any given time period.

A team consisting of a Review Team Leader (a senior GS-14 Reviewer), one or more LQMS Reviewers and any Specialists needed, review the case at the audit site.

The CIC LQMS Group Manager and the CIC LQMS Program Manager become involved in the reviews as needed.

At the conclusion of the review, a close out is held with the CIC Examination Team.

The LQMS Coordinated Industry Reviewers enter their determinations into an input document. That information is rolled up the LQMS database.

The Review Teams have regularly scheduled meetings to ensure that consistent determinations are made on similar cases. On a quarterly basis, the LQMS Programmer (a LMSB employee in Chicago) extracts the results for the reviews conducted in the quarter. He converts this into Fiscal Year to Date overall results for each Industry and DFO.

A team of LQMS Managers and Analysts review the results and prepare a report covering the quarter's results. This report covers both all specific elements reviewed and the overall scores. Trends are identified and actions to improve results are recommended.

The LMSB Analyst who prepares the tracking reports (in Chicago) receives the overall results from this team and enters the results into the various tracking reports.

Management Controls for items on critical path; The Examination Teams make a reasonable effort to keep the CEMIS database accurate and timely with milestone completion information.

The LQMS Industry Review Team Managers regularly review the work being performed by the Reviewers.

Each Review Group has two senior Review Team Leaders (GS-14 employees) and they are actively involved in overseeing the reviews being conducted by their team members.

The groups have regularly scheduled meetings at which consistent determinations on issues is reviewed by the entire group of Reviewers.

The team of Managers and Analysts that prepare the quarterly reports are involved in reviewing the conclusions for mistakes and inconsistencies.

The Coordinated Industry LQMS Program Managers also performs reviews of the work processes in the Coordinated Industry LQMS Groups. The review of Specialty issues (such as International, Engineering, Economist, etc.) is done by Specialists in those areas.

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	DESCRIPTION
Operating Division (s)	Small Business & Self-Employed Field Collection CFF (PAC 7D) and Campus Collection Compliance (PAC7c) both SB/SE & Wage & Investment
Measure Name	Collection Coverage – Enterprise
Type of Measure	Balanced Measure - Budget Level - Outcome
Program Category Related Strategic Goal	1. Business Results – Quality 2. Field Collection and ACS 3. Enhance Enforcement of Tax Law
Responsible Official	Owners: Director, Collection & Director, Campus Collection Compliance. Data Contacts: Karen Thornton 202-283-7035 and Gary Kenyon 202-283-2254. Functional Contact: Ralph Wagner 202-283-0603.
Definition	The volume of collection work disposed compared to the volume of collection work available.
a. Reporting Level (s) b. Report Data Source c. Reports	Enterprise
Formula/Methodology	Total Work Disposed divided by Total Work Available Total Work Disposed = TDA Dispositions: NO-5000-1 or 2, Part 1, Column (A). National: Grand Total, line 2.1 Minus: Due to 530 -39, line 2.7.8.4 Plus: TDI Dispositions: NO-5000-3 or 4, Part 1, Column (A). National: All TDIs, line 2.1 Minus: No. TPs Disp TC 598, line 2.11.4 Plus: ASFR Dispositions: ASFR 200, Part 3, National Dispositions Plus: OIC Dispositions: NO-5000-108 National Total page (monthly or Y-T-D) Total Dispositions;

	TDA Work Available = 5000-1 or 2 end of prior period, Part 1, Column (A) National: Grand Total, line 4.0 Plus: NO- 5000-149 for the prior period, Column (A) 39 Surveyed, line 5.15 Plus: Issuances, 5000-1 or 2 current period, line 1.1 Plus: TDI Work Available: NO-5000-3 or 4 end of the prior period, Part 1, Column (A) National: Grand Total, line 4.0 Plus: Issuances, 5003 or 4 current period, line 1.1 Plus: ASFR Work Available: ASFR 200 for the prior period, Part 3, Ending Inventory Plus: ASFR 200 for the current period, Part 1, New Receipts Plus: OIC Work Available: NO-5000-108 National Total page (monthly or Y-T-D) Beginning Inventory plus New Receipts
Data Source/ Measurement Tools	CAR 5000-1, 5000-2, 5000-3, 5000-4, 5000-108, 5000-149; ASFR 200
Reliability of Data	Reliable
Frequency of Data Availability/Reporting	Annual

Purpose of Measure: Our traditional measure for business results focuses on achieving an increased amount of closures (outputs) each year. However, it does not tell us if we are keeping up with the demand for collection work. The new coverage measure (outcome) is designed to do that. It compares the number of collection cases disposed to the work available. Work available is calculated as the beginning inventory plus new issuances.

Data Limitations: There are no data limitations for measuring historical performance. Estimates of future performance are complicated by the significant assumption that the number of new delinquencies will remain constant. Significant research (e.g., economic forecasting, behavioral trends) is required before we could make a better projection. Projections of closures are dependent upon appropriation of funds at the planning levels.

Calculation Changes: None.

Complete Description of the Process(s) measure originates from: Collection cases are disposed in three separate operations with their own unique processes; field collection, Automated Collection System (ACS), and Compliance Services Collection Operations (CSCO). Offer in Compromise cases are disposed in two operations; the field offer program and Centralized Offer in Compromise (COIC).

When looking at what impacts coverage, consider the following:

- If dispositions do not keep up with new issuances, the backlog of work available increases and the coverage declines.
- If dispositions exceed new issuances, the backlog of work available decrease and coverage improves.
- At the point where there is no backlog of collection work and dispositions keep up with new issuances, coverage is 100%.

Critical Path:

- All TDA and TDI data comes from the Collection Activity Reports generated monthly from an extract of Integrated Data Retrieval System (IDRS) account data.
- Offer in Compromise data comes from the Offer in Compromise reports generated from the Automated Offer in Compromise system each month.
- Automated Substitute for Return data comes from the Automated Substitute for Return reports.

Management Controls for items on critical path:

1. Changes to programming of Collection Activity Reports are generally made once a year. Those changes are tested and verified by program analysts at headquarters before the first new report is released. Monthly spot checks are also done to verify they match the data sent to the DataMart.
2. Accuracy of Automated Offer in Compromise database is validated by management checks in the operating units.

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	DESCRIPTION
Operating Division (s)	Small Business & Self-Employed Field Collection (PAC 7D) and Campus Collection Compliance (PAC 7C) both SB/SE and Wage & Investment
Measure Name	Collection Efficiency – (Enterprise)
Type of Measure	Balanced Measure - Budget Level - Efficiency
Program Category Related Strategic Goal	1. Business Results—Efficiency 2. Field Collection, ACS and CSCO 3. Enhance Enforcement of the Tax Law
Responsible Official	Owners: Director, Collection & Director, Campus Collection Compliance
Definition	Volume of field collection work disposed compared to the payroll cost of working it.
a. Reporting Level (s) b. Report Data Source c. Reports	Enterprise
Formula/Methodology	<p>Total Work Disposed (number of TDAs, TDIs, OICs and ASFRs disposed) divided by the Total FTE Realized in Field Collection (PAC 7D) and in Campus Collection Compliance (PAC 7C).</p> <p>Total Work Disposed = TDA Dispositions: NO-5000-1 or 2, Part 1, Column (A). National: Grand Total, line 2.1 Minus: Due to 530 -39, line 2.7.8.4 Plus: TDI Dispositions: NO-5000-3 or 4, Part 1, Column (A). National: All TDIs, line 2.1 Minus: No. TPs Disp TC 598, line 2.11.4 Plus: ASFR Dispositions: ASFR 200, Part 3, National Dispositions Plus: OIC Dispositions: NO-5000-108 National Total page (monthly or Y-T-D) Total Dispositions;</p> <p>Total FTE Realized: Automated Financial System (AFS) structured queries.</p>
Data Source/ Measurement Tools	CAR 5000-1, 5000-2, 5000-3, 5000-4, 5000-108, ASFR 200 and Automated Financial System (AFS)
Reliability of Data	Reliable
Frequency of Data Availability/Reporting	Annual

Purpose of Measure: This efficiency measure is similar to the ones we have traditionally used for each collection operation. This measure combines all collection work into one efficiency rate so that it is comparable to the new Collection Coverage outcome measure. It compares the total number of collection cases disposed to the total cost in FTE.

Data Limitations: There are no data limitations on measuring historical performance. Accuracy of the FTE costs is dependant upon correct classification of all employees in the Automated Financial System (AFS). Projections of closures and cost are dependent upon appropriation of funds at the planning levels.

Calculation Changes: None.

Complete Description of the Process(s) measure originates from:

Collection cases are disposed in three separate operations with their own unique processes; field collection, Automated Collection System (ACS), and Compliance Services Collection Operations (CSCO). Offer in Compromise cases are disposed in two operations; the field offer program and Centralized Offer in Compromise (COIC).

When looking at what impacts efficiency, consider the following:

If dispositions go up, or stay the same with less resources, efficiency improves.

If dispositions go down or stay the same with more resources, efficiency declines.

If a greater portion of the overall work can be accomplished in the less costly campus operations, overall efficiency improves.

Critical Path: All TDA and TDI data comes from the Collection Activity Reports generated monthly from an extract of Integrated Data Retrieval System (IDRS) account data.

Offer in Compromise data comes from the Offer in Compromise reports generated from the Automated Offer in Compromise system each month.

Automated Substitute for Return data comes from the Automated Substitute for Return reports.

Management Controls for items on critical path:

1. Changes to programming of Collection Activity Reports are generally made once a year. Those changes are tested and verified by program analysts at headquarters before the first new report is released. Monthly spot checks are also done to verify they match the data sent to the DataMart.
2. Accuracy of Automated Offer in Compromise database is validated by management checks in the operating units.

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	DESCRIPTION
Operating Division (s)	Small Business/Self-Employed, Compliance--CFF
Measure Name	Field Collection quality of cases handled in person
Type of Measure	Balanced Measure – Critical –Budget Level - Outcome
Program Category Related Strategic Goal	1. Business Results---Quality 2. Field Collection 3. Enhance Enforcement of the Tax Law
Responsible Official	Owner; Director, Collection
Definition	The score awarded to a reviewed Collection case by a third-party reviewer using the Collection Quality Measurement System (CQMS) quality standards.
a. Reporting Level (s) b. Report Data Source c. Reports	SBSE Field Collection, Collection Area and Territory
Formula/Methodology	From CQMS website http://cqms.ncal.wr.irs.gov select buttons for CQMS, CFF Online, FY 20xx Reports, Compressed Reports by Review Date, National Results, Rolling Cumulative and Average Case Score. CQMS composite score is computed based on 19 quality standards taken from the CQMS check sheet. Each standard has a value of four points. However, four of these standards have been designated as critical and are weighted more heavily. Failure to meet anyone of the critical standards results in the deduction of 24 points in addition to 4 points for the specific critical standard missed. The 24 point deduction only occurs once. If additional critical standards are missed, 4 points allotted for the standard are deducted.
Data Source/ Measurement Tools	CQMS database
Reliability of Data	Reasonable Accuracy. Factors that influence the reliability of the data include the accuracy of individual case reviews, the sample size, and the way in which the results are compiled. Cases are reviewed and the reviewers input the item-by-item results to an electronic check sheet. Check sheet results and case scores are computed and compiled electronically on a monthly basis. A program automatically scores the individual standards on each review for a

	total individual case score, combines and computes a monthly and cumulative average for each organizational segment.
Frequency of Data Availability/Reporting	Monthly

Purpose of Measure: The CQMS measure is the Business Results-Quality Balanced Measure for SBSE Field Collection Cases.

Data Limitations: Loss of clerical resources has prevented timely input of cases into the inventory database, which has impacted the timeliness of the case reviews. The data is statistically valid at the Area level, but not at the Territory level.

Calculation Changes: Effective December 1, 2001, CQMS quality results are reported based on case review date as opposed to the previous practice that reported results based on the date cases were closed. CQMS customers will continue to have access to the business results displayed on the CQMS web site, by both case review date and case closed date.

Complete Description of the Process(s) measure originates from: During every week of the month, a total random selection of 20 closed Balance Due or combination Balance Due cases from the centralized closed case Areas is taken. The case selection is based on the 16 Area configuration. The 20 closed cases may be selected from any or all of the following case type dispositions:

- a. Full Pay
- b. Adjustment
- c. Installment Agreement
- d. Currently Not Collectible

There are some cases that do not meet the CQMS review criteria. For example: Cases without an Integrated Collection System (ICS) history. These cases are identified by ICS and excluded from the weekly sample selection.

Cases are sent to the review sites to be reviewed. The cases are then reviewed and results are recorded into the CQMS database. A validity check is conducted by CQMS review site management. Once the data has been validated the information is transmitted to the CQMS website.

Critical Path:

1. Closed collection cases sampled on ICS and received by review site
2. Reviewers evaluate cases
3. Review results are input into database
4. CQMS managers review the raw case review data for accuracy on a weekly basis
5. Data results are displayed on the CQMS website. The results are updated weekly

Management Controls for items on critical path:

1. Site consistency case reviews held regularly/Meeting Minutes are documented.
2. Site Managers perform documented case reviews and workload reviews for employees
3. Database validity checks are performed at the site level.

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	DESCRIPTION
Operating Division (s)	Wage & Investment/ Small Business Self Employed: Payment Compliance Electronic/Correspondence Collection
Measure Name	ACS Accuracy W&I and SBSE
Type of Measure	Critical (Outcome) Measure – Business Results Customer Satisfaction
Program Category Related Strategic Goal	1. 2. Enhance Enforcement of the Tax Law
Responsible Official	W & I -Director, Filing and Payment Compliance; Contact: Joe Laird (202) 283-0565 SB/SE Owner: Director, Compliance Services Campus Collection
Definition	The purpose of this measure is to capture the percent of taxpayers who receive the correct answer to their ACS question. (W&I) A measure of accuracy in providing the correct response with the correct resolution. It measures the percentage of time the customer received the correct answer to their inquiry and/or had their case resolved correctly based upon all available information and IRM required actions. This does not take into consideration any additional IRS issues or procedures that do not have a direct impact on the taxpayer.
a. Reporting Level (s)	a. Site, BOD, Enterprise
b. Report Data Source	b. Telephone monitoring by CQRS SBSE
c. Reports	c. Reports embedded in the QRDbv2 database. (W&I) Weighted monthly & cumulative reports from NQRS (National Quality Review System). (SBSE)
Formula/Methodology	Calculated based on Defects Per Opportunity which focuses on how many attributes were scored incorrectly vs. how many possible attributes applied to that particular transaction. Dividing the number of errors by the total number of opportunities for a transaction, then subtracting that figure from one (1) calculates it. (In this particular measure, there is only one attribute [opportunity] per transaction.) W&I Only one DCI attribute is used to score this measure. It is calculated on Defects per Opportunity (dividing the number of errors by the number of opportunities, then subtracting that figure from

	one (1). (SBSE)
Data Source/ Measurement Tools	The CQRS monitor codes Field 715 on the Data Collection Instrument (DCI) as calls are reviewed. Data is input to the QRDbv2 for product review and service reporting. (W&I) A sample of phone contacts are monitored each month. Results of the telephone monitoring are input to a DCI on NQRS. Results are stored and rolled up in the NQRS database which provides both weighted and unweighted reports. (SBSE)
Reliability of Data	<p>Reasonable Accuracy – the CQRS monitor codes Field 715 on the DCI as calls are reviewed. Data is input to the QRDbv2. The QRDbv2 contains several levels of validation that occur as part of the review process. The input records are validated requiring entries and combinations of entries based upon the relationships inherent in different product lines or based upon an entry in a quality attribute. Local management and management officials at the CQRS site sample the national reviews conducted by CQRS site staff on telephone product lines. In addition, every review is available on-line to the site for verification purposes. Sites monitor their review records daily and have a small rebuttal period to contest any review. (W&I)</p> <p>The SOI staff has developed a sampling plan for ACS phones that is valid at the site level on a quarterly bases, and valid on a monthly basis nationally and for the BOD. Plan is based on a 90% confidence level with a 5% precision margin.</p> <p>Call quality is reviewed and scored by CQRS. There may be natural variances in their observations. Their performance is sampled & reviewed by the management team at the CQRS site to ensure reliability of the results. In addition, all reviews are available on-line to the site for verification purposes and they have the opportunity to contest and rebut any review. (SBSE)</p>
Frequency of Data Availability/Reporting	Unweighted data is available on-line after input. Weighted data is run monthly within two weeks after the end of the month and available on QRDbv2. (W&I) Weighted results are available monthly, quarterly, and annually (SBSE)

Purpose of Measure: The purpose of this measure is to capture the percent of taxpayers who receive the correct answer to their ACS question. The call in program is a significant focus of the ACS operation. The Customer Accuracy measure reflects the customer experience and allows for meaningful analysis towards continual improvement of our business result.

Data Limitations: None (W&I) Data reflects only in-calls from taxpayers; although an ACS measure, results include both ACS (80%) and non-ACS (20%) calls. Does not include predictive dialer calls. (SBSE)

Calculation Changes: None.

Complete Description of the Process(s) measure originates from: Accuracy measured via remote monitoring of a statistically valid sample ACS product line calls, the monthly call volume and monthly weighting of the accuracy projections based on volume of calls handled.

ACS Phones calls are defined as any call received on an IMF or BMF account in 22 or TDI status assigned to ACS, and any other calls received on the ACS ASPECT application. A random sample (39 calls per site per month) of calls are selected by CQRS for telephone monitoring. The entire contact is monitored remotely by a CQRS quality reviewer. Unless the call is transferred and no action was necessary to resolve the taxpayer's issue, Customer Accuracy must be coded. Reviewers document performance on an ACS Phones DCI according to standards of performance outlined in the IRM. Results are input and rolled up to generate reports. All data is input and maintained on the NQRS (National Quality review System). (SBSE)

Critical Path:

1. CQRS monitors calls based on SOI designed plan.
2. Call is evaluated for customer accuracy, procedural accuracy, regulatory accuracy, professionalism, and timeliness. Results are input to the Quality Review Database (QRDbv2.) Call is monitored in its entirety. (SBSE)
3. Monthly call volumes of calls handled for each product line are input to QRDbv2 based on Electronic Telephone Database reports. Results input via an ACS DCI into the NQRS database (SBSE)
4. Weighted reports are run on the 10th day of the month to update the fiscal year cumulative data. Data input is available immediately; however reports are updated on a weekly basis. (SBSE)

5. HQ extracts report data for Business Performance Review Summary.

Management Controls for items on critical path:

1. CQRS management samples QRDbv2 records and validates that sample plans have been followed.
2. CQRS management reviews QRDbv2 employee input DCIs for consistency and coding.
3. CQRS tracks and reviews rebuttals quarterly, and an annual sample of each product line's rebuttals are performed.
4. A rebuttal web site is used to share technical and coding issues in CQRS.

CQRS management conducts regular reviews to ensure accuracy and consistency. They complete remote reviews (workload), side-by-side reviews, and filtered reviews where they focus on a particular coding. Quarterly analysis is also conducted on review feedback. There are also regular consistency meetings and discussions with the reviewers, managers, and the Product Line Analyst.

The Product Line Analyst for ACS Phones also targets specific coding, and reviews rebuttals when necessary. Rebuttals are the means which the sites use to address disagreements with coding. (SBSE)

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	DESCRIPTION
Operating Division (s)	Criminal Investigation
Measure Name	Criminal Investigations Completed
Type of Measure	Balanced Measure-Output/workload
Program Category	1. Investigations Completed
Related Strategic Goal	2. Enhance Enforcement of the Tax Law
Responsible Official	Chief, Criminal Investigation
Definition	Cumulative count of the number of all subject criminal investigations completed by Criminal Investigation during the fiscal year. This includes investigations that resulted in a criminal prosecution recommendation to the Department of Justice as well as investigations that were discontinued due to a lack of evidence or to a finding that the original allegation was false.
a. Reporting Level (s)	a. Operating Division
b. Report Data Source	b. Criminal Investigation Management Information System
c. Reports	c. Monthly Business Performance Summary
Formula/Methodology	Total of all investigations coded as a subject criminal investigation that had an updated status in CIMIS during the cumulative time period to reflect either a prosecution recommendation or an approved discontinued investigation report.
Data Source/ Measurement Tools	CI Management Information System (CIMIS)
Reliability of Data	Reasonable Accuracy – All cases have a unique number assigned through an automated input system which contains validity and business rule checks. The system tracks the status of the investigation from initiation through legal review and final disposition.
Frequency of Data Availability/Reporting	Monthly

Purpose of Measure: The purpose of this measure is to assess the business unit's performance against its stated mission of serving the public by conducting criminal investigations into potential violations of the Internal Revenue Code and related financial crimes in order to foster confidence in the tax system and compliance with the law.

Data Limitations: The only limitations on the data relate to the accuracy and timeliness of the data that is input into the CIMIS system. The CIMIS system has sufficient internal checks and balances to assure that status update information is input into the system in the proper order and that the date of the action would be a logical number. What the internal checks and balances cannot control is operator error during the input process or a delay in entering the information. Such a delay or error could cause the item being updated to be assigned to the incorrect reporting period. The guidance and direction given by upper management to first line managers is that the first line managers should review their individual work group CIMIS data tables at the beginning of each month. The managerial review should firstly insure that the data table information is accurate and secondly correct any errors as soon as possible. The use of this procedure will assure that system input errors are corrected no later than 30 days after the error is initially reported in the monthly CIMIS data tables.

Calculation Changes None

Complete Description of the Process(s) measure originates from:

1. The special agent submits their recommendation report for prosecution or discontinuance to the first line supervisor for approval along with the unsigned applicable CIMIS input document, Form 4930, updating the status of the investigation.
2. The first line supervisor reviews the report and either approves the report or returns the report to the special agent for additional work.
3. Once the first line supervisor approves the recommendation report, the report is signed by the first line supervisor and forwarded along with the unsigned Form 4930 to the Assistant Special Agent in Charge (ASAC) or Special Agent in Charge (SAC) for their approval.
4. The ASAC or SAC either concurs with the first line manager and special agent report recommendation or returns the report for additional work.
5. Once the ASAC or SAC approves the recommendation report, the report is signed and the SAC or ASAC sign and approve the Form 4930 to update the status of the investigation consistent with the approved report.
6. The approved Form 4930 is then given to the CIMIS input operator who then enters remotely the updated status investigation information into the centralized live CIMIS database which is housed in the headquarters building
7. On the third workday of each month, a monthly snapshot database for the previous month is downloaded into another database. This snapshot includes any Form 4930 updates made as of the end of the prior month. The database cannot be updated by anyone other than the HQ CIMIS coordinator. In rare instances, the HQ coordinator may make changes to data when unanticipated bugs to new programming changes are found or unusual case circumstances occur.

8. On the fourth or fifth workday of each month, standard reports and statistical information (including the number of completed investigations during the prior month) are produced from the monthly snapshot.
9. The totals from the monthly standard reports and statistical information are then used to report the official critical measure for that month

Critical Path:

1. The special agent submits their recommendation report for prosecution or discontinuance to the first line supervisor for approval along with the unsigned applicable CIMIS input document, Form 4930, updating the status of the investigation.
2. The first line supervisor reviews the report and either approves the report or returns the report to the special agent for additional work.
3. Once the first line supervisor approves the recommendation report, the report is signed by the first line supervisor and forwarded along with the unsigned Form 4930 to the Assistant Special Agent in Charge (ASAC) or Special Agent in Charge (SAC) for their approval.
4. The ASAC or SAC either concurs with the first line manager and special agent report recommendation or returns the report for additional work.
5. Once the ASAC or SAC approves the recommendation report, the report is signed and the SAC or ASAC sign and approve the Form 4930 to update the status of the investigation consistent with the approved report.
6. The approved Form 4930 is then given to the CIMIS input operator who then enters remotely the updated status investigation information into the centralized live CIMIS database which is housed in the headquarters building
7. On the third workday of each month, a monthly snapshot database for the previous month is downloaded into another database. This snapshot includes any Form 4930 updates made as of the end of the prior month. The database cannot be updated by anyone other than the HQ CIMIS coordinator. In rare instances, the HQ coordinator may make changes to data when unanticipated bugs to new programming changes are found or unusual case circumstances occur.
8. On the fourth or fifth workday of each month, standard reports and statistical information (including the number of completed investigations during the prior month) are produced from the monthly snapshot.
9. The totals from the monthly standard reports and statistical information are then used to report the official critical measure for that month.

Management Controls for items on critical path: The guidance and direction given by upper management to first line managers is that the first line managers should review their individual work group CIMIS data tables at the beginning of each month. The managerial review should firstly insure that the data table information is accurate and secondly correct any errors as soon as possible. The use of this procedure will assure that system input errors are corrected no later than

30 days after the error is initially reported in the monthly CIMIS data tables. Additionally, national standard monthly reports and statistical information are circulated among the senior staff and headquarter analysts for their review and use. If the published information on the official critical measure appears to be out of line with what is normal or expected, headquarters analysts or senior staff request that the CI research staff verify that the published and circulated information and/or report is accurate. If the published and circulated information is not accurate, then the CI research staff corrects the error and issues revised data for the month.

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	DESCRIPTION
Operating Division (s)	Tax Exempt and Government Entities
Measure Name	Number of TEGE Determination Cases Closed
Type of Measure	Business Result – Quantity
Program Category	1. Regulatory Compliance
Related Strategic Goal	2. Enhance Enforcement of the Tax Law
Responsible Official	Director, Planning
Definition	Cases established on the TE/GE Determination System (EDS) and closed on that system regardless of type of case or type of closing.
a. Reporting Level (s) b. Report Data Source c. Reports	National level in FY 2000, national and area office levels in FY 2001
Formula/Methodology	Fiscal-year cumulative count of the total return examinations closed on EDS (EP/EO Determination System
Data Source/ Measurement Tools	TE/GE Determination System (EDS) Table 2A
Reliability of Data	Reasonable accuracy. EDS is programmed to generate error registers that identify possible data discrepancies. The registers are provided to the Director, EP Rulings and Agreements, the Director, EO Rulings and Agreements and to the Director, Business Systems Planning for resolution.
Frequency of Data Availability/Reporting	Monthly

Purpose of Measure: Determination requests are the formal mechanism by which applicants receive their tax exemption (in the case of the exempt organization) or reliance that their plan is qualified (in the case of employee plans.) This is a critical IRS contact with these entities, since it provides an opportunity to ensure up-front that the organization or plan is designed in compliance with the relevant regulations governing that type of entity, enabling IRS to detect and correct potential problems early. In many instances, the determination process may be our only contact with a customer since some organizations (churches and small exempt organizations) are not subject to annual filing requirements.

Data Limitations: No significant limitations.

Calculation Changes: None

Complete Description of the Process: The closing document data for each determination is entered to the EDS database by data entry employees. The Detroit Computing Center generates EDS tables/reports showing cumulative data for the fiscal year. The reports are used by Program Management staff to monitor and report the number of case closures.

Critical Path:

1. Determination specialist prepares case closing document for each case.
2. Data entry employees enter closing document data to the National EDS database.
3. Authorized personnel write queries and produce monthly reports.

Management Controls:

1. Group managers review data entered on closing documents by determination specialists prior to approving the case for closing.
2. Error registers/reports are generated for data not meeting system consistency checks.

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3. Information Technology Investment Account Budget Activity

	DESCRIPTION
Operating Division (s)	Modernization and Information Technology Services (MITS)
Measure Name	Contracted Program Cost and Schedule Variance
Type of Measure	6B Efficiency - Critical
Program Category Related Strategic Goal	Productivity Through a Quality Work Environment. Modernize the Internal Revenue Service through Its People, Processes and Technology
Responsible Official	Joelle Williamson Hull, (202) 283-5982, Program Performance Management Office
Definition	Contracted Program Cost and Schedule Variance measures the improvement in the program's ability to accurately estimate cost and period of performance. The measure is derived from the program's two efficiency measures: Fiscal Year Estimated Contract Cost Variance and Fiscal Year Contract Period of Performance Variance. By calculating the efficiency rating (percentage) for the current fiscal year and comparing it to the efficiency rating of the previous fiscal year, the measure compares the two performance ratings for cost and period of performance estimation, individually, to determine the degree of improvement. The measure is reported as the lower of the two ratings. As long as the reported rating is at or above the target the program is improving satisfactorily.
a. Reporting Level (s)	a. MITS and BSM Senior Executives, Program Directors, Acquisition Project Managers, & BODs (Business Operating Divisions).
b. Report Data Source	b. Program Performance Management Office
c. Reports	c. Strategy and Program Plans, Business Performance Review (BPR) Summary, and BSM Dashboard
Formula/Methodology	$\frac{(\text{Prior Fiscal Year Contract Period of Performance} - \text{Current Fiscal Year Contract Period of Performance})}{\text{Prior Fiscal Year Contract Period of Performance}} = \text{Period of Performance Improvement}$

	<p>(Prior Fiscal Year Estimated Contract Cost Variance - Current Fiscal Year Estimated Contract Cost Variance)/Prior Fiscal Year Estimated Contract Cost Variance = Estimated Contract Cost Variance Improvement</p> <p>Compare the FY Contract Period of Performance Improvement to the FY Estimated Contract Cost Variance Improvement, report the minimum. Rationale: if the minimum or lower number is at or above the target improvement, then both component measures' improvement rate is within the acceptable range, in this case, at or above the target.</p> <p>*****</p> <p>(MRPP-IFYRPP)/IFYRPP = Current/Prior Fiscal Year Contract Period of Performance Variance</p> <p>IFYRPP (Initial Fiscal Year Revised Period of Performance) = the sum of the revised period of performance ⁽¹⁾ of all active ⁽²⁾, awarded task orders/contracts as of the first day of the fiscal year plus any additional days extending the period of performance associated with new work ⁽³⁾.</p> <p>MRPP (Monthly Revised Period of Performance) = the sum of the revised period of performance of the awarded, active task orders/contracts as of the last day of the reporting month ⁽⁴⁾</p> <p>*****</p> <p>(MREC-IFYREC)/IFYREC = Current/Prior Fiscal Year Estimated Contract Cost Variance</p> <p>IFYREC (Initial Fiscal Year Revised Estimated Cost) = the sum of the revised estimated cost of all active (5), awarded task orders/contracts as of the first day of the fiscal year plus any additional estimated cost associated with new work (6).</p> <p>MREC (Monthly Revised Estimated Cost) = the sum of the revised estimated cost of the awarded, active task orders/contracts as of the last day of the reporting month (7)</p>
Data Source/ Measurement Tools	<p>Period of Performance, Estimated Contract Cost, and related data will be manually extracted from the Contracting Officer's Technical Representative (COTR) project notebook and the</p>

	procurement database; stored and manipulated in Excel and Word documents. "Note: Methodology for calculating performance against this measure has been under revision. Discussions are underway between GAO and MITS which may further impact this measure."
Reliability of Data	Reasonable Accuracy
Frequency of Data Availability/Reporting	The data is collected as task orders and modifications occur; results are reported in accordance with delivery schedules for the BPR, S&PP and BSM dashboard.

- (1) Period of performance is expressed in calendar days.
- (2) "Active" means the period of performance has not expired.
- (3) "New work" may be added as a new contract, a new task order, or a new contract line item within an existing task order or contract.
- (4) For end of year reporting, the September MREC will be used to derive the FY Variance to be compared against the FY target.
- (5) "Active" means the period of performance has not expired.
- (6) "New work" may be added as a new contract, a new task order, or a new contract line item (CLIN) within an existing task order or contract.
- (7) For end of year reporting, the September MREC will be used to derive the FY Variance to be compared against the FY target.

Purpose of Measure: The purpose of the measure is to assess the program's ability to improve its cost and period of performance estimation capabilities. The measure is designed to provide insight into current organizational process behavior and the effectiveness of current improvement initiatives.

Data Limitations: The data is limited to active task orders and contracts within the subject fiscal year, whose data is available. Further, it is limited to data directly related to the Modernization program.

Calculation Changes: Changes in the calculation may occur as the measure is exercised based on an increased understanding of the data.

Complete Description of the Process: Modernization projects acquire services and products from contractors through the development, award, and execution of task orders and contracts. The projects negotiate a period of performance and a total estimated cost with in which bounds the task order/contract's work is to be performed. The work is comprised of activities related to the development and delivery of the project's business requirements. First, the contract data baseline is established from the approved list of BSM Contracts. The contract data baseline captures the original period of performance and the estimated contract cost data contained in the awarded Task Orders and the subsequent modifications that affect the period of performance and the estimated contract cost. The contract data is gathered from BSM Procurement Office COTR project notebooks. The data is stored in Excel spreadsheets. The spreadsheets are setup to compute the period of performance variance and the estimated contract cost variance. As a result, Excel charts are created to show graphical views of the data, such as Period of Performance variance per Task Order and Period of Performance variance for all BSM contracts. When additional Task Orders and Modifications are awarded, the data is entered into the Excel spreadsheets. The variance and charts are updated accordingly. The monthly reports are drafted. The Program Performance Management (PPM) Team and Manager will review/ validate the report and data before it is final and reported externally. All validated and approved reports and data will be stored in the PPM shared library.

Critical Path:

1. Establish the baseline period of performance and estimated contract cost data from the BSM Contracts
2. Obtain the modification data from the BSM Contracts
3. Compute the updated period of performance variance and estimated contract cost variance, if additional Task Orders and Modifications awarded modify the data
4. Compute the rate of improvement in estimated contract cost and period of performance estimation, comparing the current degree of accuracy to the prior year's
5. Report the Improvement Measure monthly

Management Controls:

1. The baseline data will be reviewed/ validated by the Program Performance Management (PPM) Team and Manager. To indicate the baseline is valid and approved, the manager will send a notification that the data (Excel spreadsheets) may be placed in the PPM shared library. (Applies to Critical Path items: 1, 2, 3 &4)

2. Before the measure is reported, the PPM Team and Manager will review/ validate the report. The PPM Manager will provide the monthly report to the Deputy Associate CIO for Business Integration for approval. Concurrence will be obtained from the Associate CIO for BSM. To indicate the report is validated and approved, the manager will send a notification to store the report in the PPM shared library and report on Improvement Measure externally. (Applies to Critical Path item: 5)

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	DESCRIPTION
Operating Division (s)	Modernization and Information Technology Services (MITS)
Measure Name	Contracted Requirements Stability and Contracted Requirements Delivered
Type of Measure	6B Outcome – Critical-Efficiency
Program Category Related Strategic Goal	Productivity Through a Quality Work Environment. Modernize the Internal Revenue Service Through Its People, Processes and Technology
Responsible Official	Joelle Williamson Hull, (202) 283-5982, Program Performance Management Office
Definition	Contracted Requirements Stability and Contracted Requirements Delivered measures the improvements in the program's ability, first, to stabilize the growth of requirements during the life of a project/release and, second, to deliver those requirements for which it has contracted. The measure is derived from the program's two outcome measures: Contract Business Requirements Stability and Contract Business Requirements Delivered. By calculating the outcome rating (percentage) for the current fiscal year and comparing it to the outcome rating of the previous fiscal year, the measure compares the performance ratings to determine the degree of improvement. The measure is reported as the lower of the two ratings. As long as the reported rating is at or above the improvement target, the program is improving satisfactorily. (NOTE: Contract Business Requirements Delivered improvements will be reported in FY2006. During FY2005, the baseline data will be gathered.)
a. Reporting Level (s)	a. MITS and BSM Senior Executives, Program Directors, Acquisition Project Managers, & BODs (Business Operating Divisions).
b. Report Data Source	b. Program Performance Management Office

c. Reports	c. Strategy and Program Plans, Business Performance Review (BPR) Summary, and BSM Dashboard
Formula/Methodology	<p>(Prior Fiscal Year Contract Business Requirements Stability - Current Fiscal Year Contract Business Requirements Stability)/ Prior Fiscal Year Contract Business Requirements Stability = Contract Business Requirements Stability Improvement</p> <p>(Prior Fiscal Year Contract Business Requirements Delivered - Current Fiscal Year Contract Business Requirements Delivered)/Prior Fiscal Year Contract Business Requirements Delivered = Contract Business Requirements Delivered Improvement</p> <p>Compare the Contract Business Requirements Stability Improvement to the Contract Business Requirements Delivered Improvement, report the minimum. Rationale: if the minimum or lower number is at or above the target improvement, then both component measures' improvement rate is within the acceptable range, in this case, at or above the target.</p> <p>(NOTE: Contract Business Requirements Delivered improvements will be reported in FY2006. During FY2005, the baseline data will be gathered.)</p> <p>*****</p> <p>(TCBR-IBRA)/IBRA = Contract Business Requirements Stability (variance)</p> <p>TCBR (Total Cumulative Business Requirements) = the sum of business requirements in the initial task order/contract award, other task order(s)/ contract(s) for the project/ release plus business requirements added through modifications to existing task orders/contracts (3).</p> <p>ICBR (Initial Contract Business Requirements) = the sum of business requirements in the initial task order/ contract award for the project/ release.</p> <p>*****</p> <p>CBRD/(TCBR) = Contract Business Requirements Delivered (Percentage)</p> <p>CBRD (Cumulative Business Requirements Delivered) = the sum of the project and project releases' business requirements that have been delivered.</p>

	TCBR (Total Cumulative Business Requirements) = the sum of business requirements in the initial task order/contract award, other task order(s)/ contract(s) for the project/ release plus business requirements added through modifications to existing task orders/contracts (3).
Data Source/ Measurement Tools	Contract Business Requirements Stability, Contract Business Requirements Delivered, and related data will be manually extracted from the Contracting Officer's Technical Representative (COTR) project notebook and the procurement database; stored and manipulated in Excel and Word documents.
Reliability of Data	Reasonable Accuracy
Frequency of Data Availability/Reporting	The data is collected as task orders and modifications occur; results are reported in accordance with delivery schedules for the BPR, S&PP and BSM dashboard.

- (8) Business requirements are associated with either the project or the release within the project if managed by release.
- (9) During FY05, this measure excludes infrastructure and program-level support task orders and contracts.
- (10) These are business requirements over and above those identified initially.

Purpose of Measure: The purpose of the measure is to assess the program's ability to improve its contract business requirements stability and delivery capabilities. The measure is designed to provide insight into current organizational process behavior and the effectiveness of current improvement initiatives.

Data Limitations: The data is limited to active task orders and contracts within the subject fiscal year, whose data is available. Further, it is limited to data directly related to the Modernization program. (NOTE: Contract Business Requirements Delivered improvements will be reported in FY2006. During FY2005, the baseline data will be gathered.)

Calculation Changes: Changes in the calculation may occur as the measure is exercised based on an increased understanding of the data.

Complete Description of the Process:

Modernization projects acquire services and products from contractors through the development, award, and execution of task orders and contracts. The projects negotiate a period of performance and a total estimated cost within which bounds the task order/contract's work is to be performed. The work is comprised of activities related to the development and delivery of the project's business requirements. First, the contract data baseline is established from the approved list of BSM Contracts. The contract data baseline captures the estimated contract cost, the period of performance, and the original business requirements data contained in the awarded Task Orders and the subsequent, relevant modifications. The contract data is gathered from BSM Procurement Office COTR project notebooks. The data is stored in Excel spreadsheets. The spreadsheets are setup to compute the estimated contract cost, period of performance, business requirements (stability and delivered) variances in the reporting month. As a result, Excel charts are created to show graphical views of the data, such as contract business requirements variance per Task Order and contract business requirements variance for all BSM contracts as a whole. When additional Task Orders and Modifications are awarded, the data is entered into the Excel spreadsheets. The variance and charts are updated accordingly. The monthly reports are drafted. The Program Performance Management (PPM) Team and Manager will review/ validate the report and data before it is final and reported externally. All validated and approved reports and data will be stored in the PPM shared library.

Critical Path:

1. Establish the baseline contract business requirements stability data from the BSM Contracts
2. Obtain the modification data from the BSM Contracts
3. Compute the updated contract business requirements stability variance, if additional Task Orders and Modifications awarded modify the data
4. Compute the rate of improvement in contract business requirements stability and in contract business requirements delivered
5. Report the Improvement Measure monthly

Management Controls:

1. The baseline data will be reviewed/ validated by the Program Performance Management (PPM) Team and Manager. To indicate the baseline is valid and approved, the manager will send a notification that the data (Excel spreadsheets) may be placed in the PPM shared library. (Applies to Critical Path items: 1, 2, &3)

2. Before the measure is reported, the PPM Team and Manager will review/ validate the report. The PPM Manager will provide the monthly report to the Deputy Associate CIO for Business Integration for approval. Concurrence will be obtained from the Associate CIO for BSM. To indicate the report is validated and approved, the manager will send a notification to store the report in the PPM shared library and report on Improvement Measure externally. (Applies to Critical Path item: 4)

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4. Discontinued Measures

In the first quarter of FY 2005, Treasury launched a process to streamline its current set of performance measures. Its purpose was to increase the value of the information provided to our stakeholders, respond to congressional requests, focus our priorities, and reduce administrative burden. Results of the process indicated a 60-70% reduction in the number of performance measures overall at the Treasury level. At the bureau level, measures that are no longer included in the budget submission are classified as "discontinued," and are indicated as such. Please note that these measures are only being discontinued for external reporting purposes, and that the IRS will continue to internally collect and monitor these measures.

	DESCRIPTION
Operating Division (s)	Wage & Investment/Small Business Self Employed: Customer Account Services: Accounts Management
Measure Name	Outcome: Customer Accuracy - Customer Accounts Resolved (Adjustments)
Type of Measure	Critical Measure – Business Results Quality
Program Category Related Strategic Goal	1. Filing and Account Services 2. Service to Each Taxpayer
Responsible Official	Director, Customer Account Services
Definition	Customer Accuracy is defined as giving the correct answer with the correct resolution. It measures how often the customer received the correct answer to their inquiry and/or had their case resolved correctly based upon all available information and IRM required actions. This measure includes taxpayer correspondence including IMF/BMF cases, internal requests for

	adjustment actions, internally generated transcripts, loose schedules, injured spouse, carry backs, amended returns, FTD Coupon Requests, various CP notices, EFTPS issues, undeliverable notices, duplicate returns, and penalty adjustments.
a. Reporting Level (s)	a. Site, BOD, Enterprise
b. Report Data Source	b. QRDbv2
c. Reports	c. Reports embedded in the QRDbv2 database
Formula/Methodology	<p>Calculated based on Defects Per Opportunity which focuses on how many attributes were scored incorrectly vs. how many possible attributes applied to that particular transaction. Dividing the number of errors by the total number of opportunities for a transaction, then subtracting that figure from one (1) calculates it.</p> $1 - \left(\frac{N}{Y+N} \right) = \text{XX}\%$ <p>(In this particular measure, there is only one attribute [opportunity] per transaction.)</p>
Data Source/ Measurement Tools	PAS analysts code Field 715 on the DCI as cases are reviewed. Data is input to the QRDbv2 for product review and service reporting
Reliability of Data	Reasonable Accuracy – PAS analysts code Field 715 on the DCI as cases are reviewed. Data is input to the QRDbv2. The QRDbv2 contains several levels of validation that occur as part of the review process. Input records are validated requiring entries and combinations of entries based upon the relationships inherent in different product lines or based upon an entry in a quality attribute. The national reviews conducted by PAS site staff on Account Paper product lines are sampled by local management and management officials at the Campus Centers. In addition, every review is available on-line to the site for verification purposes. Sites monitor their review records daily and have a small rebuttal period to contest any review.
Frequency of Data Availability/Reporting	Unweighted data is available on-line after input. Weighted data is run monthly within two weeks after the end of the month and available on QRDbv2.

Purpose of Measure: The purpose of this measure is to capture the percent of taxpayers who receive the correct response to their correspondence.

Data Limitations: None

Calculation Changes: Written Referrals (Forms 4442) were moved into Correspondence sample and removed from Account Calls sample in FY 2002.

Complete Description of the Process(s) measure originates from: Tax Account activity work includes correspondence inquiries, internal notices, computer generated notices, tentative carry backs, amended returns, duplicate returns, EFTPS and FTD issues, penalty issues, and Forms 4442.

Critical Path:

1. The Program Analysis System (PAS) analysts review accounts paper based on SOI designed sample plan, using skip intervals.
2. Casework is evaluated for customer accuracy, procedural accuracy, regulatory accuracy, professionalism, and timeliness and results are input to QRDbv2.
3. Monthly volumes of closures on each correspondence product line are input to QRDbv2 based on WP&C data.
4. Weighted reports are run on the 10th of the month to update the fiscal year cumulative.
5. HQ extracts reports data for Business Performance Review Summary.

Management Controls for items on critical path:

1. PAS management samples QRDbv2 records and validates that sample plans have been followed.
2. PAS management reviews QRDbv2 employee input DCIs for consistency and coding.

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	DESCRIPTION
Operating Division (s)	Modernization, Information Technology, and Security Services (MITS Services)
Measure Name	Outcome: Percent Tickets Resolved on Time
Type of Measure	Balanced Measure (Outcome Measure)
Program Category Related Strategic Goal	Business Results – Quality MITS Services - User Support Productivity Through a Quality Work Environment
Responsible Official	Data Owner Craig Otto 202-283-4059
Definition	Percent of tickets closed within the time targets set forth in the Corporate Problem Management Guidelines and the Master Service Level Agreement
a. Reporting Level (s)	INOMS
b. Report Data Source	ITAMS Problem Management Database, Master Service Level Agreement Oracle “PMODData” database
c. Reports	BPRS, MPBS, BPMS, S&PP
Formula/Methodology	<p>1) Select helpdesk, the two characters of function related to business unit, ticket opened time, incident stop time, ticket resolved time (INOMS), ticket closed time (ITAMS), the number of terminals impacted, category, priority, cause code and other fields of interest from INOMS/ITAMS problem tickets. Exclude tickets with category = ‘MAC-PLAN’ and ticket submitted via the ‘GET-IT services web site which are customer closed. Prior to 12/29/2002, exclude tickets with ‘helpdesk’ in the assignment group field. From 12/29/2002 on, exclude computing center tickets with ‘helpdesk’ in the assignment group field.</p> <p>2) For priority 3, 4 or 5 tickets, determine whether the tickets are closed during the period of time allowed by their target resolution times.</p> <p>a) if the ticket opened time is during a period of non-working hours (weekend or holiday), adjust it up to the beginning of the next period.</p> <p>b) Add to the adjusted ticket opened time the number of working days allowed by the priority (priority 3 – 2 working days, priority 4 – 4 working days, priority 5 – 20 working days); do not include holidays or weekends.</p> <p>c) If incident_stop_time < the adjusted ticket opened time resulting from 2b, flag the ticket as meeting the target resolution time (resolved on time); if incident_stop_time > the</p>

	<p>adjusted ticket opened time resulting from 2b, flag the ticket as not meeting the target (not resolved on time). If incident stop time < ticket opened time, use ticket closed time in place of incident stop time in the above calculations.</p> <p>3) For priority 1 and 2 tickets, calculate incident stop time – ticket opened time; flag priority 1 tickets as resolved on time if incident stop time – ticket opened < 4 hours; flag priority 2 tickets as resolved on time if incident stop time – ticket opened < 8 hours. If incident stop time < ticket opened time, use ticket closed time in place of incident stop time in the above calculations.</p> <p>4) Count the number of tickets resolved by priority during the period of interest.</p> <p>5) Count the number of tickets flagged as meeting the time targets set forth for the priorities in the Corporate Problem Guidelines or the Master Service Level Agreement.</p> <p>Divide the counts from 5 by the counts from 4.</p>
Data Source/ Measurement Tools	INOMS/ITAMS Problem Management Database, Master Service Level Agreement Oracle "PMODData" database / BPRS, MPBS, BPMS, S&PP
Reliability of Data	Reasonable Accuracy
Frequency of Data Availability/Reporting	Because the data is stored in a database, reports are available at any time. The requirement for this indicator is monthly and reports will be generated accordingly.

Purpose of Measure: to gauge compliance with the target resolution times for resolving tickets set forth in the Master Service Level Agreement and the Corporate Problem Management Guidelines.

Data Limitations: Prior to March 2003, the time it took for a supervisor to approve requests for service was not available on tickets and could not be considered in assessing whether target resolution times were met. Audits have shown that occasionally priorities are inaccurately assigned on tickets.

Calculation Changes:

From 10/01/2002 to the 12/28/2002, count all closed problem tickets except those with category or subcategory = 'MAC-PLAN' or those assigned to a helpdesk or those closed by a customer via the GET-IT web site.

From 12/29/2002 to the present, count all closed problem tickets except those with category or subcategory = 'MAC-PLAN' or those assigned to a computing center helpdesk or those closed by a customer via the GET-IT web site.

Prior to 10/01/2002, count all tickets with priority = 1,2,3,4,5 and category = hw, sw, comm, inv disc, file trk, cust req but not 'MAC-PLAN' tickets, 'CROSS-REF' tickets or those assigned to a helpdesk.

Complete Description of the Process: The customer submits a ticket (1) by completing a 'GET-IT' services web site form or (2) by contacting a helpdesk by phone call, email, fax, walking in, or other means. The customer's supervisor must approve requests for products. The helpdesk assistor or web site provider desk attempts to resolve the issue at first contact. If first contact resolution is not possible, the ticket is assigned to an appropriate assignment group. The resolution provider, assigned the ticket, fixes the problem or provides the requested service and then completes and closes the ticket. Weekly the Performance Analysis and Reporting Office (PARO) and the Service Level Agreement Management Office (SLMO) receive an extract of tickets opened or closed during the past week. (As of October 1, 2003, the PARO and the SLMO will also receive an extract at the end of the month.) The extract is appended into an Oracle database. Scripts based on Oracle SQL or Oracle PLSQL calculate percent resolved on time. The results are inserted in the BPR and BPMS.

Critical Path:

1. The customer submits a ticket.
2. A service provider resolves, completes, and closes the ticket.
3. The PARO and the SLMO weekly receive an extract of tickets.
4. The PARO and the SLMO calculate percent resolved on time.

Management Controls for items on critical:

1. The 'GET-IT' services web site enforces discipline by requiring certain fields to be completed in certain ways.
2. The helpdesk managers review all priority 1 tickets and a minimum of 2 tickets for each employee per month.
3. Alerts to EUES escalation points of contact are issued for all priority 1 and 2 tickets based on length of time the tickets are open.
4. (the helpdesk may not save the ticket after talking to the customer at length, which means the ticket number is used but no ticket is opened; the PARO weekly runs an algorithm to identify missing gaps of 2 or more ticket numbers and checks ITAMS to see whether the ticket numbers were issued.)
5. EUES officials review calculated results before they are published in the BPR.

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	DESCRIPTION
Operating Division (s)	Wage & Investment: CARE: Field Assistance
Measure Name	Outcome: Field Assistance Accuracy of Tax Law Contacts
Type of Measure	Critical (Outcome) Measure – Business Results Quality
Program Category Related Strategic Goal	1. Filing Services 2. Service to Each Taxpayer
Responsible Official	Director, Field Assistance
Definition	Tax Law Accuracy is the quality of service provided to Taxpayer Assistance Center (TAC) customers. This is a measure of the accuracy of responses concerning issues involving tax law.
a. Reporting Level (s)	a. Operating Division, Area
b. Report Data Source	b. TIGTA “Walk-In” Briefing Paper
c. Reports	c. Tax Law Accuracy Report
Formula/Methodology	TIGTA Auditors will make unannounced visits to selected TACs. The Auditors will be anonymous to the TAC site reviewed and use tax law scenarios to evaluate answers for accuracy.
Data Source/ Measurement Tools	TIGTA “Walk-In” Briefing Paper
Reliability of Data	Reasonable Accuracy
Frequency of Data Availability/Reporting	Monthly

Purpose of Measure: The quality of tax law accuracy is an indicator of how effective TAC personnel are in assisting the customers with tax law issues.

Data Limitations: Accuracy percentage is not based on statistically valid sampling technique.

Calculation Changes: FY 03 is the baseline year.

Complete Description of the Process:

1. TIGTA auditors will make unannounced anonymous visits to selected TACs in all 50 states.
2. Auditors will ask Tax Resolution Representatives (TRRs) a series of pre-developed questions based on the training provided to TRRs and the scope of services for tax law assistance.
3. TIGTA will issue monthly “Walk-In” Briefing papers capturing their results.

Critical Path:

1. TIGTA will issue monthly “Walk-In” Briefing papers reporting accuracy of responses to questions.
2. The data is used to compute the tax law accuracy for Field Assistance overall and each Area.

Management Controls for items on critical path: FA management will hold monthly meetings with TIGTA to discuss the results.

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	DESCRIPTION
Operating Division (s)	Modernization, Information Technology, and Security Services (MITS Services)
Measure Name	Percent Resolution at First Contact
Type of Measure	Balanced Measure Outcome
Program Category	MITS Services User Support
Related Strategic Goal	Productivity Through a Quality Work Environment

Responsible Official	Data owner/Provider Craig Otto 202-283-4059						
Definition	The percentage of tickets that can be resolved by the technician making first contact that are in fact resolved by the first contact technician.						
a. Reporting Level (s)	Help desk, Customer Business Unit						
b. Report Data Source	INOMS/ITAMS Program Management Database Oracle "PMODData" database						
c. Reports	BPRS, MPBS, BPMS, S&PP						
Formula/Methodology	<p>1. Select help desk, function, ticket resolved time and other fields of interest from the call tickets table; count the number of call tickets resolved for which a problem ticket has not been opened. Select helpdesk, function, ticket resolved time and other fields of interest from the ITAMS problem ticket table where the ticket has been submitted via the 'GET-IT Service' web site; count the number of 'web' tickets which have been resolved on first contact (web tickets resolved by a helpdesk or assignment groups ESD-EASTERN and ESD-WESTERN). Exclude 'MAC-PLAN' tickets. Exclude Tickets with resolution code 'Not Resolved' or 'No Customer Response' or 'Mass Closed'. Exclude tickets closed by the customer. Combine the 2 counts or sums. This combined sum constitutes the number of first call resolved tickets.</p> <p>2. Select help desk, function, ticket opened time and other fields of interest from both the calls tickets table and the problem tickets table. For tickets closed prior to 12/29/2002, count (1) area help desk tickets with assignment groups 'help desk', 'compliance support', or 'site support', and (2) campus help desk tickets with assignment groups 'DESKTOP/SP', 'HELPDESK' or 'DESKTOP/CS'. For all periods, count the tickets closed that are (1) call tickets without problem tickets, (2) password management tickets, (3) computing center tickets with assignment groups 'LAWB/WKST' or 'HELPDESK', or (4) 'web' tickets which have been resolved on first contact. For tickets closed on or after 12/29/02, count the tickets which have the following combinations of category and subcategory:</p> <table> <tr> <td><u>Category</u></td><td><u>Subcategory</u></td></tr> <tr> <td>SW</td><td>desktop coe</td></tr> <tr> <td>SW</td><td>desktop cots</td></tr> </table>	<u>Category</u>	<u>Subcategory</u>	SW	desktop coe	SW	desktop cots
<u>Category</u>	<u>Subcategory</u>						
SW	desktop coe						
SW	desktop cots						

	CUST REQ PSWD CUST REQ INFO The total number of tickets counted constitutes the number of tickets that could have been resolved on first call. 3. Divide the count from 1 by the count from 2.
Data Source/ Measurement Tools	INOMS/ITAMS Program Management Database Oracle "PMOData" database / BPRS, MPBS, BPMS, S&PP
Reliability of Data	Reasonable Accuracy
Frequency of Data Availability/Reporting	Because the data is stored in a database reports are available at any time. The requirement for this indicator is monthly and reports will be generated accordingly.

Purpose of Measure: to measure the experience of the customer in obtaining timely problem resolution with no unnecessary follow-up required.

Data Limitations: Audits have shown that occasionally priorities are inaccurately assigned on tickets. Efforts to calculate the measure by business unit are hampered by inaccuracies in the organization code field.

(1) from 10/01/2002 to the present, count all closed call tickets except category or subcategory = 'MAC-PLAN' or those with associated problem tickets or those with resolution_code = 'No customer response' or 'Not resolved' or 'MASSCL'.

Calculation Changes:

First contact resolved (numerator):

(2) from 10/01/2002 to 12/29/2002, count all problem tickets submitted via GET-IT web site and assigned to a helpdesk, except those with category or subcategory = 'MAC-PLAN' or those with resolution_code = 'No customer response' or 'Not Resolved' or 'MASSCL'.

(3) from 12/29/2003 to the present, count all problem tickets submitted via GET-IT web site and assigned to a computing center helpdesk or 'ESD-WESTERN' or 'ESD-EASTERN' assignment groups, except those with category or subcategory = 'MAC-PLAN' or those closed by a customer via the GET-IT web site or those with resolution_code = 'No customer response' or 'Not resolved' or 'MASSCL'.

Potential first contact resolved (denominator):

- (1) from 10/01/2002 to the present, count all closed call tickets except category or subcategory = 'MAC-PLAN' or those with associated problem tickets.
- (2) From 10/01/2002 to 12/29/2002, count all closed problem tickets submitted via GET-IT web site and assigned to a helpdesk, except those with category or subcategory = 'MAC-PLAN'.
- (3) From 10/01/2002 to 12/29/2002 count all closed problem tickets assigned to a computing center helpdesk or 'LAWB/WKST', except those with category or subcategory = 'MAC-PLAN'.
- (4) From 10/01/2002 to 12/29/2002 count all closed problem tickets assigned to an area helpdesk or 'COMPLIANCESPT', except those with category or subcategory = 'MAC-PLAN'.
- (5) From 10/01/2002 to 12/29/2002, count all tickets assigned to a campus helpdesk or 'DESKTOP/SP' or 'DESKTOP/CS', except those with category or subcategory = 'MAC-PLAN'.
- (6) From 12/29/2002 to the present, count all closed problem tickets with category = 'SW' and subcategory like 'DESKTOP%', count all closed problem tickets with category = 'CUST REQ' and subcategory = 'INFO', count all closed problem tickets with subcategory = 'PSWD', count all problem tickets submitted via GET-IT web site and assigned to a computing center helpdesk or assignment groups like 'ESD-WESTERN%' or 'ESD-EASTERN%', except those with category or subcategory = 'MAC-PLAN', and count all closed problem tickets with cause code = 'PSWD'.

First contact resolved (Prior to 10/01/2002):

count all closed call tickets with priority = 1,2,3,4,5 and category = hw, sw, comm, inv disc, file trk, cust req but not 'MAC-PLAN' tickets, 'CROSS-REF' tickets or those with associated problem tickets.

Potential first contact resolved (prior to 10/01/2002):

- count all opened call ticket tickets with priority = 1,2,3,4 or 5 and catg =hw, sw, comm, inv disc, file trk, or cust req assigned to a comp ctr helpdesk or 'LAWB/WKST', but not 'MAC-PLAN' or 'CROSSREF' tickets.
- count all opened problem tickets with priority = 1,2,3,4, or 5 and catg = hw, sw, comm, inv disc, file trk, or cust req assigned to an area helpdesk or 'COMPLIANCESPT', but not 'MAC-PLAN' or 'CROSSREF' tickets.

- count all opened problem tickets with priority = 1,2,3,4 or 5 and catg = hw, sw, comm, inv disc, file trk or cust req assigned to a campus helpdesk or 'DESKTOP/SP' or 'DESKTOP/CS', but not 'MAC-PLAN' or 'CROSSREF' tickets.
- count all opened problem tickets with subcategory = 'PSWD'.
- count all tickets with cause code = 'PSWD'.

Complete Description of the Process:

The customer submits a ticket (1) by completing a 'GET-IT' services web site form or (2) by contacting a helpdesk by phone call, email, fax, walking in, or other means. The customer's supervisor must approve requests for products. The helpdesk assistor or web site provider desk attempts to resolve the issue at first contact. If first contact resolution is not possible, the ticket is assigned to an appropriate assignment group. The resolution provider, assigned the ticket, fixes the problem or provides the requested service and then completes and closes the ticket. Weekly the Performance Analysis and Reporting Office (PARO) and the Service Level Agreement Management Office (SLMO) receive an extract of tickets opened or closed during the past week. (As of October 1, 2003, the PARO and the SLMO will also receive an extract at the end of the month.) The extract is appended into an Oracle database. Scripts based on Oracle SQL or Oracle PLSQL calculate first contact resolved percent. The results are inserted in the BPR and the BPMS.

Critical Path:

1. The customer submits a ticket.
2. A service provider resolves, completes, and closes the ticket.
3. The PARO and the SLMO weekly receive an extract of tickets.
4. The PARO and the SLMO calculate percent resolved at first contact.

Management Controls for items on critical path:

1. The 'GET-IT' services web site enforces discipline by requiring certain fields to be completed in certain ways.
2. The helpdesk managers review all priority 1 tickets and a minimum of 2 tickets for each employee per month.
3. Alerts to EUES escalation points of contact are issued for all priority 1 and 2 tickets based on length of time the tickets are open.

4. Ticket numbers are issued sequentially in ITAMS, although gaps of 1 ticket are common (the helpdesk may not save the ticket after talking to the customer at length); the PARO weekly runs an algorithm to identify missing gaps of 2 or more ticket numbers and checks ITAMS to see whether the ticket numbers were issued.
5. EUES officials review calculated results before they are published in the BPR.

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	DESCRIPTION
Operating Division (s)	Wage and Investment – Small Business/Self Employed
Measure Name	Toll-Free Customer Satisfaction
Type of Measure	Customer Satisfaction
Program Category Related Strategic Goal	Filing and Account Services – Accounts Management and Assistance Service to Each Taxpayer
Responsible Official	WI: Director, Strategy & Finance SBSE: Director, Strategy, Research & Performance Management
Definition	The percentage of Customers who were satisfied with the way their cases were handled by the Toll Free Telephone Program. The percentage of Customers who were dissatisfied with the way their cases were handled by the Toll Free Telephone Program.
a. Reporting Level (s) b. Report Data Source c. Reports	Site Enterprise, Business Operating Division.
Formula/Methodology	Sample sizes selected to provide maximum of +/- 5% confidence interval at a 95% confidence level for lowest reporting of organization. A representative sample of customers calling the IRS Toll-Free telephone numbers are surveyed by an independent contractor to assess their satisfaction with the service they received during their calls. W&I/CAS receive Customer Satisfaction Survey reports from the IRS survey vendor, Pacific Consulting Group. LIMITATIONS on the survey data not affecting the statistical validity include: Only customers calling one of the IRS Toll-Free telephone numbers are included in the sample. Calls are selected based on a sampling pattern that includes variables for the hour of day, day of week, and time of year and customers calling when IRS monitors are not available (Saturday, Sunday and some evening hours) are excluded from the survey.
Data Source/ Measurement	Customer Satisfaction Surveys

Tools	
Reliability of Data	Reasonable Accuracy – PCG compiles, verifies, and reports on the survey data. The service worked with PCG to design the survey process so that the Service can maintain an “arms’ length” relationship with the data gathering and reporting processes.
Frequency of Data Availability/Reporting	Quarterly

Purpose of Measure:

1. To track customer satisfaction with the Toll-Free function over time
2. To identify which customer characteristics influence customer satisfaction ratings
3. To identify areas where improvements will have the greatest impact on customer satisfaction.

Data Limitations: Survey participation is limited to those customers who call in to the IRS Toll-Free lines. Survey does not include customers who call into the Toll-Free system evenings, Saturday or Sunday.

Calculation Changes: None

Complete Description of the Process: Using Interactive Voice Response (IVR), the IRS administers the current survey by telephone. IRS quality control monitors in each call site will randomly identify potential participants. The IRS provides survey data to the survey contractor on a monthly basis (within one week of the close of the month). Each quarter, the IRS provides the total number of Toll Free callers to the survey contractor for use in weighting the results, if necessary, to ensure that they represent all Toll Free callers. The survey contractor receives this universe data within five days of the completion of each quarter. The survey contractor separates ACS and Toll Free data and converts them to a SPSS file used to analyze the data. Within five business days of receiving comments on the reports from the IRS, The survey contractor finalizes the reports and submits them to the IRS. Each quarter, the survey contractor provides the IRS with a CD-ROM containing the quarterly survey database and a record layout and variable definitions.

Critical Path:

1. The IRS collects data on an ongoing basis using the IVR system
2. The IRS delivers data to the survey contractor
3. The survey contractor provides quarterly reports based on the data

Management Controls for items on critical path: The survey contractor performs a four-stage internal review process of reports before they are sent to the IRS.

1. The IRS reviews and provides comments and suggestions before reports are finalized.
2. The survey contractor keeps a record when the data set is e-mailed as a record of receipt.

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	DESCRIPTION
Operating Division (s)	Wage & Investment – Field Assistance
Measure Name	Field Assistance Customer Satisfaction and Dissatisfaction
Type of Measure	Critical Measure
Program Category	Filing Services
Related Strategic Goal	Service to All Taxpayers
Responsible Official	Director, Field Assistance
Definition	This measure is the taxpayer's overall satisfaction and dissatisfaction with the services provided by Field Assistance personnel as determined by the customer satisfaction survey. Pacific Consulting Group (PCG), an outside vendor conduct surveys. Taxpayers' rate services provided in Taxpayer Assistance Centers (TACs) on a scale from 1 – 5.
a. Reporting Level (s)	Operating Division
b. Report Data Source	Pacific Consulting Group
c. Reports	Field Assistance National Report
Formula/Methodology	Field Assistance employees distribute survey forms to all taxpayers. PCG collects and consolidates the responses and provides a monthly report to each Taxpayer Assistance Center (TAC) office.
Data Source/ Measurement	Taxpayer questionnaire comment cards.

Tools	
Reliability of Data	Reasonable Accuracy
Frequency of Data Availability/Reporting	Monthly

Purpose of Measure: Customer Satisfaction and Dissatisfaction scores are an indicator of how effective Field Assistance is in assisting taxpayers at the TACs.

Data Limitations: Field Assistance personnel cannot control the response rate to the surveys.

Calculation Changes: Field Assistance changed from a rating scale of 1 –7 to a scale of 1 –5. Customer Satisfaction data will be reported as “top box” scores that reflect the average number of taxpayers that rated services as a 4 or 5. Customer Dissatisfaction data will be reported as “bottom box” scores that reflect the average number of taxpayers that rated services as a 1 or 2.

Complete Description of the Process: PCG will mail to each Territory TAC office, coded survey cards that can identify each group level TAC. The Territory TAC office then distributes the coded survey cards to the respective group offices. TAC personnel will offer survey cards to every customer serviced. Customers are permitted to complete the survey onsite or to complete and mail the postage paid survey card directly to PCG. Customers who choose to complete the survey card onsite may deposit their survey cards in the survey box located at the TAC. A site representative bundles the cards on a weekly basis and forwards them to PCG. PCG scans all cards received and captures all data into a database. PCG also randomly samples 25 cards for each TAC per quarter and captures the specific comments made by the customer and is included in the database with all other results. PCG completes a monthly report analysis for all of Field Assistance and prepares a National Field Assistance Report. TACs also receive a monthly report from PCG on their specific results compared to the national results.

Critical Path:

1. Coded Survey cards are mailed by PCG to the Territory Offices for distribution to the group TACs.
2. TAC personnel offer survey cards to every customer serviced
3. Customers complete the survey onsite and deposit the survey in a locked survey box, or the taxpayer can mail the survey card from an offsite location using a postage paid card addressed to PCG.
4. If the customer deposits the survey box located at the TAC, the site survey representative bundles the cards on a weekly basis and forwards them to PCG.

5. PCG scans all cards received and captures all data into a database. PCG also randomly samples 25 cards for each TAC per quarter and captures the specific comments made by the customer and is included in the database with all other results.
6. PCG completes a monthly report analysis for all of Field Assistance and prepares a National Field Assistance Report. TACs also receive a monthly report from PCG on their specific results compared to the national results.

Management Controls for items on critical path: Field Assistance management controls are not applicable for this measure. The customer satisfaction survey is conducted by an outside vendor, which eliminates the need for further controls.

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	DESCRIPTION
Operating Division (s)	Small Business and Self Employed
Measure Name	Field Collection – Cases Closed Taxpayer Delinquent Account (TDA)
Type of Measure	Business Result – Quantity
Program Category	Field Collection Payment and Filing Compliance Program
Related Strategic Goal	Service to All Taxpayers
Responsible Official	Director, Strategy, Research & Performance Management
Definition	A count of the number of actual TDA dispositions completed by field Revenue Officers on a monthly basis. A TDA disposition arises on IDRS when the status of an account changes from an open status to a closed status (any) as defined in Section 8 of Document 6209 (ADP/IDRS Information.) The measure is reported as modules.
a. Reporting Level (s)	National, Regional and District levels.
b. Report Data Source	Operating Division data is available at the National level only.
c. Reports	(Note: Master File and Integrated Data Retrieval System (IDRS) – Collection Activity Reports (CAR) will continue to use district office codes until at least January 2002. In January 2002, Master File and IDRS will carry Areas Office codes. Master File will not contain territory

	codes. IDRS will show a territory code as part of the 8 digit Collection Assignment Number (commonly called the TSIGN), but only those uploaded from ICS or manual input, e.g. command code TSIGN.)
Formula/Methodology	Systemic Analysis is performed by IDRS as part of weekly batch processing. The analysis program reviews account status for all accounts with the unique TSIGN for Field Collection and does a comparison to the account status in the prior week. Those accounts that have changed from an open status to a closed status are extracted for inclusion in the monthly disposition count.
Data Source/ Measurement Tools	NO-5000-1 Taxpayer Delinquent Account Report or NO-5000-2 Taxpayer Delinquent Account Cumulative Report. The dispositions are extracted by computer analysis on the Integrated Data Retrieval System (IDRS).
Reliability of Data	Reasonable Accuracy. The number of TDAs disposed is determined by computer analysis on the IDRS computer system. Reports are compiled monthly with data extracted as part of weekend processing. CAR weekend processing looks at the data that survives non-CAR validity checks. When an invalid record passes a systemic check and is identified by CAR systems, it creates an error file, which may require contact with National Office. (Some errors require contact on all occurrences, while others have a volume threshold). A Taxpayer Information File (TIF) edit file is secured to conduct a manual search for the source of the error. A National Collection analyst and Information Systems programmers routinely do validity checks.
Frequency of Data Availability/Reporting	Monthly

Purpose of Measure: The number of TDAs disposed is an indicator of how effective the Field Collection program is in resolving accounts of the delinquent taxpayer and is also an indicator of how effectively the FTEs (full-time equivalents) allocated to the program are being utilized.

Data Limitations: Territory level data will not be available for the start of FY 2002, but may be available for selected Field Collection TDA and TDI data some time after January 2002 based on availability of IS programming resources.

Calculation Changes: Systemically removed inventory was backed out of the reporting of closures beginning in FY 2001 to provide a more accurate representation of FTE utilization for this program.

Complete Description of the Process: A Taxpayer Delinquent Account (TDA) is created when a module has a balance due that cannot be resolved through notice issuance. A routine TDA (below set dollar limitations) goes through the processing routine in the Automated Collection System and is assigned to a Revenue Officer when a determination is made that face-to-face contact is necessary. A direct issuance of a TDA can occur when the R/O has a related case, pre-set dollar limitations are exceeded (large dollar accounts) or some other specific set of circumstances has been met. Revenue Officer (R/O) satisfies delinquency (full payment, uncollectible, adjustment, payment tracer, other) R/O lists closure on electronic 795 (Integrated Collection System) Closures meeting management approval requirements go electronically to Group Manager (GM), full payment closures immediately drop from R/O inventory on ICS (checks get sent to Service Center under separate cover) GM approves closures Accounts go directly to Collection Support Function (CSF)/Service Center (SC) (dependent upon organizational structure) Employees in CSF or SC input closing information directly to the Integrated Data Retrieval System (IDRS) ICS and IDRS do balancing runs weekly (IDRS extracts inventory file to the ICS Mainframe in each center) to make sure that accounts that drop off ICS get closed on IDRS or vice versa. If an account match does not occur error alerts are sent weekly to an Error Resolution Technician (ERT) in ICS who resolves errors according to procedures outlined in Section 6 (Diagnostic Reports) of the ERT Guide (rev. 5/01) Once accounts are confirmed closed, IDRS send closing records to Master File: As part of IDRS weekly processing applicable records for all ten centers are extracted and saved until the end of the month.

The monthly records from all 10 centers are shipped electronically to Memphis (Tennessee Computing Center) Memphis then runs files through the programs that create the Collection Activity Reports (CAR) (approximately 75 programs). Unexpected conditions (dropped records, missing service center data) that occur are resolved within the TCC environment unless the control limits set by national office are violated. When control limits are violated TCC has instructions to notify National Office.

In all instances: Fifteen report files are electronically shipped from TCC to National Office and run through a series of internal validity file checks for data anomalies/data mismatches. Once the data is determined to be “clean” by Collection they are put on a Monarch System for publication. (Published Posting Cycle Calendar identifies to National Office when files will be shipped)

Users access the files using Monarch Report Explorer software

Critical Path:

- IDRS/ICS Match and generation of error registers for resolution of mismatches

- IDRS records sent to Memphis from service centers
- Electronic Files from Memphis to National Office
- National Office validity runs and to Monarch Software
- Monthly report information is compiled by the SB/SE Compliance area in the following manner:
- Analyst extracts dispositions number from the Taxpayer Delinquent Account Cumulative Report line 2.0
- Analyst subtracts number for TC-530-39 dispositions from total number of TDA dispositions, line 2.7.8.4
- Analyst inserts the result of (a-b) into monthly report file (format provided by OPD) on the appropriate line
- Analyst sends populated report file to Chief, SB/SE Compliance for review
- (SB/SE is in the process of developing their Standard Operating Procedure for data reporting and review)

Management Controls for items on critical path:

- Documentation of IDRS/ICS Match worked and approved (quarterly)
- Program Reviews on adherence to ERT Guide
- Steps taken by MCC take in receipt of records
- Steps taken to Document files from MCC – no process currently exists to provide verification that files are received according to the published schedule. At the beginning of each fiscal year (when IS programming typically changes) National Office sends an analyst to TCC to check the October runs of each report to check for unexpected problems.
- Documentation of validity runs and input of files to Monarch Software – no formal documentation of validity runs exists as they are done on an ad hoc basis when numbers “do not look right”. After examination by Collection of a particular number over time, a NO analyst will use the “filecracker” utility in conjunction with IS to do comparisons between the files on ICS and those maintained at the service centers.
- SB/SE is in the process of developing their Standard Operating Procedures for data review prior to reporting.

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	DESCRIPTION
Operating Division (s)	Small Business and Self Employed
Measure Name	Field Collection – Cases Closed Taxpayer Delinquent Investigation (TDI)
Type of Measure	Business Result – Quantity
Program Category	Field Collection Payment and Filing Compliance Program
Related Strategic Goal	Service to All Taxpayers
Responsible Official	Director, Strategy, Research & Performance Management
Definition	A count of the number of actual TDI dispositions completed by field Revenue Officers on a monthly basis. This measure reflects actual Taxpayer Delinquent Investigation Dispositions.
a. Reporting Level (s)	National, Regional and District levels.
b. Report Data Source	Operating Division data is available at the National level only.
c. Reports	
Formula/Methodology	Actual dispositions.
Data Source/ Measurement Tools	NO-5000-3 Taxpayer Delinquent Investigation Report or NO-5000-4 Taxpayer Delinquent Investigation Cumulative The dispositions are extracted by computer analysis on the Integrated Data Retrieval System (IDRS).
Reliability of Data	Reasonable Accuracy. The number of TDIs disposed is determined by computer analysis on the IDRS computer system. Reports are compiled monthly with data extracted as part of weekend processing. CAR weekend processing looks at the data that survives non-CAR validity checks. When an invalid record passes a systemic check and is identified by CAR systems, it creates an error file, which requires contact with National Office. A Taxpayer Information File (TIF) edit file is secured to conduct a manual search for the source of the error. A National Collection analyst and Information Systems programmers routinely do validity checks
Frequency of Data Availability/Reporting	Monthly

Purpose of Measure: The number of TDIs closed is an indicator of how effective the Field Collection program is in resolving investigations of the taxpayer who is delinquent on meeting return filing requirements and is also an indicator of how effectively the FTEs (full-time equivalents) allocated to the program are being utilized.

Data Limitations: None

Calculation Changes: None

Complete Description of the Process(s) measure originates from: A delinquent investigation arises as a result of IMF/BMF/NMF or EPMF delinquency checks that are done on the TDI Notice File at the service centers on a scheduled basis and identifies those taxpayers who are either NonFilers or Stop Filers. Prior to issuance of a TDI a routine case will be sent two to four notices (in certain circumstances the account history may justify immediate issuance of an investigation). Upon completion of the case (R/O secures return(s) or sufficient information to close investigation without securing return), R/O lists closure on Electronic Form 795. Cases requiring management approval go electronically to the Group Manager while cases where R/O has secured returns for all delinquent periods drop from R/O inventory on ICS. Account go directly from ICS to Collection Support Function (CSF). Service Center (SC) (dependent upon organizational structure). An employee is CSF or SC inputs closing information directly to the Integrated Data Retrieval System (IDRS). Balancing runs are performed weekly to ensure that cases that drop off ICS get closed on IDRS or vice versa. If an account match does not occur error alerts are sent weekly to an Error Resolution Technician (ERT) in ICS who resolves errors using procedures outlined in the ERT guide. Once the investigation is confirmed closed, IDRS sends a closing record to the ICS system. Weekly report development consists of the following:

As part of IDRS weekly processing applicable records for all ten centers are extracted and saved until the end of the month.

The monthly records from all 10 centers are shipped electronically to Memphis (Tennessee Computing Center) Memphis then runs files through the programs that create the Collection Activity Reports (CAR) (approximately 75 programs). Unexpected conditions (dropped records, missing service center data) that occur are resolved within the TCC environment unless the control limits set by national office are violated. When control limits are violated TCC has instructions to notify National Office.

In all instances: Fifteen report files are electronically shipped from TCC to National Office and run through a series of internal validity file checks for data anomalies/data mismatches. Once the data is determined to be "clean" by Collection they are put on a Monarch System for publication. (Published Posting Cycle Calendar identifies to National Office when files will be shipped)

Users access the files using Monarch Report Explorer software

Critical Path:

- IDRS/ICS Match and generation of error registers for resolution of mismatches
- IDRS records sent to Memphis from service centers
- Electronic Files from Memphis to National Office
- National Office validity runs and to Monarch Software
- Monthly report information is compiled by the SB/SE Compliance area in the following manner:
- Analyst extracts dispositions number from the Taxpayer Delinquent Account Cumulative Report line 2.0
- Analyst subtracts number for TC-530-39 dispositions from total number of TDA dispositions, line 2.7.8.4
- Analyst inserts the result of (a-b) into monthly report file (format provided by OPD) on the appropriate line
- Analyst sends populated report file to Chief, SB/SE Compliance for review
- (SB/SE is in the process of developing their Standard Operating Procedure for data reporting and review)

Management Controls for items on critical path:

- Information is made available to the customer base
- Program Managers check data and look for extreme variation in the numbers
- Any major changes are analyzed to determine if the data entry is accurate

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	DESCRIPTION
Operating Division (s)	Small Business/Self-Employed, Compliance--Field Collection (PAC 7D)
Measure Name	Field Collection Customer Satisfaction
Type of Measure	Balanced Measure – Critical
Program Category Related Strategic Goal	Customer Satisfaction Payment Compliance Service to All Taxpayers
Responsible Official	Owner: Director, Field Collection. Data is received and maintained by SRPM (S:SR:PE:PA) Functional Contact: Ralph Wagner 202.283.0603
Definition	Customers' overall dissatisfaction with their Field Collection experience stated as % dissatisfied (= "1" + "2"). Survey recipients are asked to rate IRS performance on a five-point scale, where 1 indicates <i>Very Dissatisfied</i> and 5 indicates <i>Very Satisfied</i> .
a. Reporting Level (s)	Valid quarterly National/BOD and annual SB/SE Compliance Area
b. Report Data Source	Customer surveys conducted six months preceding report date.
c. Reports	Quarterly national reports from Pacific Consulting Group (PCG) and annual sub-national (Area). Contractor database received and archived by SE:S:SR: PE:PAI. Contractor provides measurement data file directly to BSP for Data Mart.
Formula/Methodology	The percentage of Customers who were satisfied /dissatisfied(responded with "4" or "5") to a single overall satisfaction question. Survey recipients are asked to rate IRS performance on a five-point scale, where 1 indicates <i>Very Dissatisfied</i> and 5 indicates <i>Very Satisfied</i> . Measure = satisfied respondents/all respondents. LIMITATIONS: The following limitations are placed on the Collection sample: only those customers who owe money to the IRS and have been referred to Collection are sampled. Samples only include three types of closures: Currently Not Collectible/Hardship, Installment Agreements, and Full Pays. The sample does not include: cases with no case history, cases for customers the IRS cannot locate, cases where the statute has expired, bankruptcy cases, deceased taxpayers, and defunct or insolvent corporations. For cases involving an Offer in Compromise, only those offers that are processable are included.
Data Source/ Measurement	Customer surveys conducted six months preceding report date. Quarterly national reports

Tools	from Pacific Consulting Group (PCG) and annual sub-national (Area). Contractor database received and archived by SE:S:SR: PE:PAI. Contractor provides measurement data file directly to BSP for Data Mart.
Reliability of Data	Reasonable Accuracy - Sample sizes are selected to provide maximum of +/- 5% confidence interval at a 95% confidence level. The Collection sample for customer satisfaction purposes is drawn from closed cases on the ICS database and sent to an independent contractor on a monthly basis. The contractor uses a mail-out survey to obtain information on customers' perceptions of the service they receive and to identify opportunities for improving service to Collection customers.
Frequency of Data Availability/Reporting	Quarterly BOD/National and annual for Areas.

Purpose of Measure:

1. To track customer satisfaction and dissatisfaction with the Collection process over time
2. To identify which customer characteristics influence satisfaction ratings
3. To identify areas where improvements will have the greatest impact on customer satisfaction with the Collection process.

Data Limitations: Sample is drawn from the Integrated Collection System (ICS) database. Three types of closures are included in the sample: Currently Not Collectible/Hardship, Installment Agreements and Full Pays. Excluded from the survey are the following: Unable to Locate Taxpayers, Cases with no history, cases where the CSED has expired, open cases involving multiple agents, bankruptcy cases, deceased taxpayer cases, defunct or insolvent corporation cases. Also excluded: Criminal Investigation cases, potentially dangerous taxpayers, Alerts and Other Investigation cases. The sample includes Offer In Compromise cases but only to the extent that the offer has been accepted (rejected or withdrawn offers are not included). Survey limitations also dictate that repeater taxpayers be excluded if the taxpayer received a survey within the last twelve months. The contractor also adds variables to the potential sample which allows for tracking and identification; cases that are deemed to have duplicate or bad addresses are also removed.

Calculation Changes: For FY 2001 the survey process was changed to reflect the restructuring of the organization into Operating Divisions. 33 Districts previously used in the Collection report have been re-organized into sixteen SB/SE areas now in use by IRS.

Complete Description of the Process(s) measure originates from: The Collection Sample is drawn from the Integrated Collection System (ICS) database, questionnaires are sent to 135 collection taxpayers per District per month regardless of whether a tax professional was involved with the case (the sampling plan is being reevaluated to reflect the new organizational structure. Once selected the Collection Sample file is sent to their National Computer Systems. NCS generates letters to each taxpayer in the sample file. (Entire process includes Advance Letter from IRS Commissioner, Cover Letter with Questionnaire (survey), Postcard Reminder and non-respondents also receive a second postcard). Once responses to the survey are received, NCS scans the responses into a database and validates that the sample file represents a proportionate number of cases for each Area Office. The survey responses are weighted when necessary to ensure that customer segments being surveyed are proportionate to their representation in the population (for Collection, responses are weighted using the Handler of Case (Taxpayer Represented Self or Tax Professional handled case for taxpayer) as the factor). Survey results are tabulated and PCG compiles customized reports for IRS. Reports (when complete) are sent electronically to the designated IRS distribution list.

Closed Collection cases are extracted from Aims and provided to an independent survey research company each month. Address information is used to mail surveys to customers shortly after their case is closed. The research company employs multiple mailings designed to achieve acceptable response rates. They then process completed surveys and provide Collection with a summary of customer responses each quarter. The analysis of customer responses completed by the survey research company is the source of the overall satisfaction scores reported for Collection. Customer data and individual customer responses to the surveys are kept strictly confidential and are anonymous to the IRS.

Critical Path:

1. The IRS extracts all closed Collection cases for a month long period and sends them on a magnetic tape via an overnight delivery service.
2. The survey vendor then draws the appropriate sample based on information provided by the IRS, strips the record of any tax related information, and then sends the information via FedEx to another firm who completes the monthly survey mailing process.

3. The survey mailing company uses the sample data files to generate personalized pre-notification letters and survey packets and mails them to every taxpayer included in the sample data file, based on an approved survey-mailing schedule.
4. The survey mailing company electronically scans all surveys collected before the established cut-off date, matches identification numbers against those in the sample data file, and sends the resulting file to the survey vendor.
5. The survey vendor prepares a report based on the monthly data files from the survey mailing company. Electronic copies are provided to the IRS each quarter.

Management Controls for items on critical path:

1. The survey vendor logs the magnetic tapes from the IRS, stamps the transmittal form sent with the tapes with the current date, signs the form, and then faxes it back to the IRS to verify that they tapes have been received.
2. The survey vendor provides a transmittal form along with the sample file sent to the survey mailing company. This form includes specific record counts for each survey sample. The survey mailing company signs and dates the form and faxes it back to the survey vendor to verify that the sample files have been received.
3. The survey vendor "seeds" each monthly sample data files with test addresses to help verify the accuracy and timeliness of the survey mailing company's procedures.
4. A transmittal form is included with the sample data file, which the survey vendor signs and dates and faxes back to the survey mailing company.
5. The survey vendor performs four internal quality reviews before providing draft quarterly reports to the IRS for review. The IRS reviews each quarterly report and provides comments and/or corrections to the survey vendor before each report is finalized.

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	DESCRIPTION
Operating Division (s)	Wage & Investment: Payment Compliance Electronic/Correspondence Collection
Measure Name	Compliance Services Collection Operation (CSCO) Accuracy
Type of Measure	Critical (Outcome) Measure – Business Results Quality
Program Category Related Strategic Goal	1. Post-filing 2. Service to Each Taxpayer
Responsible Official	Director, Filing and Payment Compliance; Contacts: Dana Thomas 404-338-7683
Definition	The quality of the information given and actions taken by CSCO employees on incoming correspondence.
a. Reporting Level (s)	a. Site, BOD, Enterprise
b. Report Data Source	b. QRDbv2
c. Reports	c. Reports embedded in the QRDbv2 database
Formula/Methodology	<p>Calculated based on Defects Per Opportunity which focuses on how many attributes were scored incorrectly vs. how many possible attributes applied to that particular transaction. Dividing the number of errors by the total number of opportunities for a transaction, then subtracting that figure from one (1) calculates it.</p> $1 - \left(\frac{N}{Y+N} \right) = \text{XX}\%$ <p>(In this particular measure, there is only one attribute [opportunity] per transaction.)</p>
Data Source/ Measurement Tools	PAS analysts code Field 715 on the DCI as cases are reviewed. Data is input to the QRDbv2 for product review and service reporting
Reliability of Data	Reasonable Accuracy –PAS analysts code Field 715 on the DCI as cases are reviewed. Data is input to the QRDbv2. The QRDbv2 contains several levels of validation that occur as part of the review process. Input records are validated requiring entries and combinations of entries based upon the relationships inherent in different product lines or based upon an entry in a quality attribute. The national reviews conducted by PAS site staff on CSCO product

	lines are sampled by local management and management officials at the Campus Centers. In addition, every review is available on-line to the site for verification purposes. Sites monitor their review records daily and have a small rebuttal period to contest any review.
Frequency of Data Availability/Reporting	Unweighted data is available on-line after input. Weighted data is run monthly within two weeks after the end of the month and available on QRDbv2.

Purpose of Measure: The Accuracy Rate is a crucial component of the suite of CSCO Balanced Measures. These reviews provide valuable information to alert management whether employees are following procedures and taking necessary steps to resolve delinquencies while working taxpayer correspondence.

Data Limitations: The reviews are conducted by Program Analysis Staff (PAS) employees. Similar to any review conducted by people, the data is subject to human error. Periodic reviews conducted by site management help ensure the consistency of the data.

Calculation Changes: None.

Complete Description of the Process: A random sample of CSCO work (for the OFP codes listed in the SCCB Closure measure) is selected for quality review by the Program Analysis Staff (PAS) in each campus. A Data Collection Instrument is completed on each sampled case and the data is input to QRDbv2. Report data is extracted through the QRDbv2.

Critical Path:

1. The Program Analysis System (PAS) analysts review accounts paper based on SOI designed sample plan, using skip intervals.
2. Casework is evaluated for customer accuracy, procedural accuracy, regulatory accuracy, professionalism, and timeliness and results are input to QRDbv2.
3. Monthly volumes of closures on each correspondence product line are input to QRDbv2 based on WP&C data.
4. Weighted reports are run on the 10th of the month to update the fiscal year cumulative.
5. HQ extracts reports data for Business Performance Review Summary.

Management Controls for items on critical path:

1. PAS management samples QRDbv2 records and validates that sample plans have been followed.
2. PAS management reviews QRDbv2 employee input DCIs for consistency and coding.

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	DESCRIPTION
Operating Division (s)	Wage & Investment/Small Business Self Employed: Payment Compliance Electronic/Correspondence Collection
Measure Name	ACS Closures – TDA
Type of Measure	Critical Measure – Business Results Quantity
Program Category Related Strategic Goal	1. Post-filing 2. Service to All Taxpayers
Responsible Official	W & I - Director, Filing and Payment Compliance Contact: Karen Kilroy 215-516-5224 SB/SE Owner: Director, Compliance Policy SB/SE: Martha Sullivan Functional Data contact: Dorothy Serious 202-283-2211 Contact about measure: Gary Elsner –202 283-2378
Definition	The number of ACS TDA taxpayer closures minus any TDA taxpayer cases systemically removed from inventory. Closures include full paid accounts, installment agreements, currently not collectible accounts, etc.
a. Reporting Level (s)	a. W&I Corporate
b. Report Data Source	b. Collection Activity Reports (CAR)
c. Reports	c. Business Performance Review Summary (BPRS)
Formula/Methodology	Line 15.2, Col. A NO. TDA TAXPAYER DISPOSITIONS minus

	Line 15.2.4, Col A NO. TC 530-39 (systemically removed) Note: Cases are systemically removed off ACS based on age, not due to ACS actions.
Data Source/ Measurement Tools	Collection Activity Reports (CAR) - NO-5000-1 Taxpayer Delinquent Account Report. The dispositions are extracted by computer analysis on the Integrated Data Retrieval System (IDRS).
Reliability of Data	Reasonable Accuracy. The number of TDAs disposed is determined by computer analysis on the IDRS computer system. Reports are compiled monthly with data extracted as part of weekend IDRS processing. National Collection analysts and Information Systems programmers routinely do validity checks.
Frequency of Data Availability/Reporting	Weekly, aggregated monthly

Purpose of Measure: ACS is in business to close cases and collect delinquent taxes. The number of ACS TDA Taxpayer Closures is an indicator of how effective ACS is in resolving balance due accounts.

Data Limitations: None

Calculation Changes: None

Complete Description of the Process: A TDA is created when a taxpayer has a balance due account (one or more tax periods) that cannot be resolved through notice issuance. In general, after the notice process, delinquencies move into ACS. ACS utilizes a variety of treatment options to initiate contact with the taxpayer and resolve the delinquency. These options include sending the taxpayer a letter, making a phone call, levying on wages, levying on other taxpayer assets and/or filing a tax lien. An account can be resolved through full payment, installment agreement, currently not collectible, bankruptcy, adjustment/abatement, and Offer in Compromise. For many of these closures, the ACS employee enters closing information into IDRS. As part of IDRS weekly processing, applicable records for all 10 centers are extracted and saved until the end of the month.

The monthly records from all 10 centers are shipped electronically to Memphis (Tennessee Computing Center) where files are run through the programs that create the CAR (approximately 75 programs.) Unexpected conditions such as dropped

records, and missing service center data that occur are resolved within the TCC environment unless the control limits set by national office are violated. When control limits are violated, TCC has instructions to notify National Office. In all instances, report files are electronically shipped from TCC to National Office and run through a series of internal validity file checks for data anomalies/data mismatches. Once the data is determined to be “clean” by Collection, they are put on a Monarch System for publication. Users access the files using Monarch Report Explorer software.

Critical Path:

1. Service initiates treatment with taxpayer.
2. Taxpayer sends in full payment or ACS employee inputs closing information into IDRS.
3. An IDRS/ICS Match is run and registers are generated for resolution of mismatches.
4. IDRS records are sent to Memphis from service centers.
5. Electronic Files are sent from Memphis to National Office.
6. National Office runs validity checks and loads report files onto Web Site.
7. W&I Compliance analyst extracts data via Monarch Software and compiles report.
8. Management reviews the report for accuracy.

Systemic/Management Controls for items on critical path:

1. Documentation of IDRS worked and approved (quarterly).
2. Program Reviews on adherence to ERT Guide.
3. Steps taken by MCC in receipt of records.
4. Steps taken to document files from MCC – no process currently exists to provide verification that files are received according to the published schedule. At the beginning of each fiscal year IS programming typically changes, a National Office analyst reviews the October runs of each report in TCC to check for unexpected problems.
5. Documentation of validity runs and input of files to Monarch Software – no formal documentation of validity runs exists as they are done on an ad hoc basis when numbers “do not look right”. After examination by Collection of a particular number over time, a National Office analyst will use the “file cracker” utility in conjunction with IS to do comparisons between the files on ICS and those maintained at the service centers.
6. Chief, Risk Based Collection in W&I, reviews reports for accuracy.

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	DESCRIPTION
Operating Division (s)	Wage & Investment/Small Business Self Employed: Payment Compliance Electronic/Correspondence Collection
Measure Name	ACS Closures - TDI
Type of Measure	Critical Measure – Business Results Quantity
Program Category Related Strategic Goal	1. Post-filing 2. Service to All Taxpayers
Responsible Official	W & I - Director, Filing and Payment Compliance Contact: Karen Kilroy 215-516-5224 SB/SE Owner: Director, Compliance Policy SB/SE: Martha Sullivan Data contact: Dorothy Serious 202-283-2211; Contact about measure: Gary Elsner –202 283-2378
Definition	The number of ACS TDI taxpayer closures minus any TDI taxpayer cases systemically removed from inventory.
a. Reporting Level (s)	a. W&I Corporate
b. Report Data Source	b. Collection Activity Reports (CAR).
c. Reports	c. Business Performance Review Summary (BPRS)
Formula/Methodology	Line 12.11, Col. A NO. Taxpayers Disposed minus Line 12.11.4, Col. A NO. TP's Disp TC 598 (systemically removed) Note: Cases are systemically removed off ACS based on age, not due to ACS actions.
Data Source/ Measurement Tools	NO-5000-3 Taxpayer Delinquency Investigations Report. The dispositions are extracted by computer analysis on the Integrated Data Retrieval System (IDRS).
Reliability of Data	Reasonable Accuracy. The number of TDIs disposed is determined by computer analysis on the IDRS computer system. Reports are compiled monthly with data extracted as part of

	weekend IDRS processing. National Collection analysts and Information Systems programmers routinely do validity checks.
Frequency of Data Availability/Reporting	Weekly, aggregated monthly

Purpose of Measure: ACS is in business to close cases and collect delinquent taxes. The number of ACS TDI Taxpayer Closures is an indicator of how effective ACS is in resolving cases where the taxpayer has not filed a tax return.

Data Limitations: None

Calculation Changes: None

Complete Description of the Process: A TDI is created when a taxpayer has not filed a return and the IRS has data to indicate that a return should be filed. If the return delinquency is not resolved through notice issuance, the delinquencies move into ACS. ACS will send the taxpayer a letter and/or attempt to contact the taxpayer through a phone call. A TDI is resolved in a number of different ways such as a return is filed, taxpayer deemed not liable to file, unable to locate the taxpayer, or referral to Exam or Criminal Investigation.

For many of these closures, the ACS employee enters closing information into IDRS. As part of IDRS weekly processing, applicable records for all 10 centers are extracted and saved until the end of the month. The monthly records from all 10 centers are shipped electronically to the Tennessee Computing Center (TCC) where files are run through the programs that create the CAR (approximately 75 programs.) Unexpected conditions such as dropped records, and missing service center data that occur are resolved within the TCC environment unless the control limits set by national office are violated. When control limits are violated, TCC has instructions to notify National Office. In all instances, report files are electronically shipped from TCC to National Office and run through a series of internal validity file checks for data anomalies/data mismatches. Once the data is determined to be “clean” by Collection, they are put on a Monarch System for publication. Users access the files using Monarch Report Explorer software.

Critical Path:

1. Service sends letter or calls taxpayer.
2. Taxpayer files return or ACS employee inputs closing information into IDRS.

3. An IDRS/ICS Match is run and error registers are generated for resolution of mismatches.
4. IDRS records are sent to Memphis from service centers.
5. Electronic Files are sent from TCC to National Office.
6. National Office runs validity checks and loads report files onto Web Site.
7. W&I Compliance analyst extracts data via Monarch Software and compiles report.
8. Management reviews the report for accuracy.

Systemic/Management Controls for items on critical path:

1. Documentation of IDRS worked and approved (quarterly.)
2. Program Reviews on adherence to ERT Guide.
3. Steps taken by MCC in receipt of records.
4. Steps taken to document files from MCC – no process currently exists to provide verification that files are received according to the published schedule. At the beginning of each fiscal year when IS programming typically changes, National Office sends an analyst to TCC to review the October runs of each report to check for unexpected problems.
5. Documentation of validity runs and input of files to Monarch Software – no formal documentation of validity runs exists as they are done on an ad hoc basis when numbers “do not look right”. After examination by Collection of a particular number over time, a National Office analyst will use the “file cracker” utility in conjunction with IS to do comparisons between the files on ICS and those maintained at the service centers.
6. Chief, Risk Based Collection in W&I, reviews reports for accuracy.

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	DESCRIPTION
Operating Division (s)	Small Business/Self Employed, Compliance--ACS (PAC 7C)
Measure Name	ACS Customer Satisfaction
Type of Measure	Balanced Measure—Critical
Program Category Related Strategic Goal	Customer Satisfaction Payment Compliance Service to All
Responsible Official	Data is received and maintained by SRPM (S:SR:PE:PA) SRPM – Larz Pearson 202-283-2787 Owners: Director, Compliance Services Campus Operations, Bobby Hunt and Director, Campus Collection Compliance;, Functional Contact: Dawn Gershon 215-516-3746
Definition	Customer's overall satisfaction with their ACS experience stated as % satisfied (= "4" + "5" responses). Survey recipients are asked to rate IRS performance on a five-point scale, where 1 indicates <i>Very Dissatisfied</i> and 5 indicates <i>Very Satisfied</i> .
a. Reporting Level (s)	Valid quarterly at National/BOD and annually at Campus levels.
b. Report Data Source	Customer surveys conducted three months preceding report date.
c. Reports	Quarterly national reports from Pacific Consulting Group (PCG) and annual sub-national (Campus). Contractor database received and archived by SE:S:SR: PE:PAI. Contractor provides measurement data file directly to BSP for Data Mart.
Formula/Methodology	The percentage of Customers who were satisfied (responded with "4" or "5") to a single overall satisfaction question. Survey recipients are asked to rate IRS performance on a five-point scale, where 1 indicates <i>Very Dissatisfied</i> and 5 indicates <i>Very Satisfied</i> . Measure = satisfied respondents/all respondents. LIMITATIONS on survey respondents not affecting the statistical validity are as follows: ACS outgoing calls are not included in the survey due to technological limitations, and customers calling when IRS monitors are not available (Saturday, Sunday and some evening hours) are excluded from the survey. IRS is also looking at ways to improve survey participation within its Spanish-speaking community. The percentage of Customers who were dissatisfied (responded with "1" or "2") to a single overall satisfaction question. Survey recipients are asked to rate IRS performance on a five-point scale, where 1 indicates <i>Very Dissatisfied</i> and 5 indicates <i>Very Satisfied</i> . Measure = dissatisfied respondents/all respondents. LIMITATIONS on survey respondents not affecting

	<p>the statistical validity are as follows: ACS outgoing calls are not included in the survey due to technological limitations, and customers calling when IRS monitors are not available (Saturday, Sunday and some evening hours) are excluded from the survey. IRS is also looking at ways to improve survey participation within its Spanish-speaking community.. W&I/CAS receive Customer Satisfaction Survey reports from the IRS survey vendor, Pacific Consulting Group. The percentage of Customers who were dissatisfied (responded with “1” or “2”) to a single overall satisfaction question. Survey recipients are asked to rate IRS performance on a five-point scale, where 1 indicates <i>Very Dissatisfied</i> and 5 indicates <i>Very Satisfied</i>. Measure = dissatisfied respondents/all respondents. LIMITATIONS on survey respondents not affecting the statistical validity are as follows: ACS outgoing calls are not included in the survey due to technological limitations, and customers calling when IRS monitors are not available (Saturday, Sunday and some evening hours) are excluded from the survey. IRS is also looking at ways to improve survey participation within its Spanish-speaking community.. W&I/CAS receive Customer Satisfaction Survey reports from the IRS survey vendor, Pacific Consulting Group.</p>
Data Source/ Measurement Tools	<p>Customer surveys conducted three months preceding report date. Quarterly national reports from Pacific Consulting Group (PCG) and annual sub-national (Campus). Contractor database received and archived by SE:S:SR: PE:PAI. Contractor provides measurement data file directly to BSP for Data Mart.</p>
Reliability of Data	<p>Reasonable Accuracy – Sample sizes selected to provide maximum of +/- 5% confidence interval at a 95% confidence level for lowest reporting of organization. A representative sample of customers calling the IRS ACS telephone numbers are surveyed by an independent contractor to assess their satisfaction/dissatisfaction with the service they received during their calls. PCG compiles, verifies, and reports on the survey data. The service worked with PCG to design the survey process so that the Service can maintain an “arms’ length” relationship with the data gathering and reporting processes.</p>
Frequency of Data Availability/Reporting	<p>Quarterly National/BOD and annual Campus.</p>

Purpose of Measure:

1. To track customer satisfaction and dissatisfaction with the Toll-Free function over time
2. To identify which customer characteristics influence customer satisfaction ratings
3. To identify areas where improvements will have the greatest impact on customer satisfaction.

Data Limitations: None

Calculation Changes: None

Complete Description of the Process(s) measure originates from Using Interactive Voice Response (IVR), the IRS administers the current survey by telephone. The IRS provides survey data to the survey contractor on a monthly basis. Each quarter, the IRS provides the total number of ACS callers to the survey contractor for use in weighting the results to ensure that they represent the universe of ACS callers. The survey contractor receives this universe data within five days of the completion of each quarter in order to meet the reporting deadlines requested by the IRS. Within five business days of receiving comments on the reports from the IRS, the survey contractor finalizes the reports and submits them to the IRS. Additionally, each quarter, the survey contractor provides the IRS with a CD-ROM containing the quarterly survey database and a record layout and variable definitions.

Critical Path:

1. The IRS collects data on an ongoing basis using the IVR system
2. The IRS delivers data to the survey contractor
3. The survey contractor provides quarterly reports based on the data

Management Controls for items on critical:

1. The survey contractor performs a four-stage internal review process of reports before they are sent to the IRS.
2. The IRS reviews and provides comments and suggestions before reports are finalized.

3. The survey contractor keeps a record when the data set is emailed as a record of receipt

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	DESCRIPTION
Operating Division (s)	Wage & Investment/Small Business Self Employed : Compliance: Automated Underreporter
Measure Name	Outcome: AUR Case Accuracy (paper)
Type of Measure	Critical (Outcome) Measure – Business Results Quality
Program Category Related Strategic Goal	1. Post-filing 2. Service to Each Taxpayer
Responsible Official	W & I - Director, Reporting Compliance SB/SE – Director, Compliance Policy
Definition	Accuracy is one component of case quality under the embedded system, which measures the accuracy of the resolution of an AUR case.
a. Reporting Level (s)	a. Enterprise, BOD, Site and Function
b. Report Data Source	b. Quality Review Database (QRDbv2)
c. Reports	c. BPRS (Business Performance Review Summary), Strategy, and Program Plans.
Formula/Methodology	In this particular measure, only one EQ attribute (#715) contributes to Customer Accuracy. EQ Attribute 715 is coded on the Data Collection Instrument (DCI) based on the accuracy of the case. Data is input into the QRDbv2 for product review and reporting.
Data Source/ Measurement Tools	QRDbv2 database.
Reliability of Data	Reasonable Accuracy - PAS analysts code Field 715 on the DCI as cases are reviewed. Data is input to the QRDbv2. The QRDbv2 contains several levels of validation that occur as part of the review process. The input records are validated by requiring entries and

	combinations of entries based upon the relationships inherent in different product lines or based upon an entry in a quality attribute. Every review is available on-line to the sites for verification purposes. Sites monitor their review records daily and have a small rebuttal period to contest any review.
Frequency of Data Availability/Reporting	Unweighted data is available on-line after input. Weighted data is run monthly as soon as the AUR closed case volumes and closed reconsideration case volumes are available.

Purpose of Measure: The purpose of this measure is to capture the percent of taxpayers who receive the correct resolution to their AUR case.

Data Limitations: None

Calculation Changes: The calculation remains the same as FY 2003.

Complete Description of the Process(s) measure originates from: Accuracy is measured based on a sample plan developed by Statistics of Income (SOI) annually that is statistically validated quarterly at the site level and monthly at the national level.

Critical Path:

1. The PAS reviews closed cases based on the SOI designed plan.
2. Cases are evaluated for customer accuracy, procedural accuracy, regulatory accuracy, professionalism, and timeliness. Results are input into the Quality Review Database (QRDbv2). This will provide an unweighted score.
3. To obtain a weighted score, monthly volumes of AUR closed cases and closed reconsideration cases are input to the QRDbv2, usually within two weeks of month end, to update the monthly and fiscal year cumulative weighted data.
4. Headquarters (HQ) extracts the report data from the QRDbv2.

Management Controls for items on critical path:

1. HQ AUR analysts monitor the QRDbv2 monthly to ensure that sample plans have been followed.

2. HQ AUR analysts monitor QRDBv2 for consistency in coding DCI's and work with the Sites to resolve any inconsistencies.
3. HQ AUR analysts participate in monthly consistency conference calls with the Sites to resolve any questions and reinforce correct procedures.

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	DESCRIPTION
Operating Division (s)	Wage and Investment/Small Business Self Employed: Compliance: Automated Underreporter
Measure Name	AUR Number of Cases Closures
Type of Measure	Critical Measure - Business Results - Quantity
Program Category Related Strategic Goal	1. Post-filing 2. Service to All Taxpayers
Responsible Official	W & I - Director, Reporting Compliance SB/SE - Director, Compliance Policy
Definition	Total number of closures of Automated Underreporter Cases.
a. Reporting Level (s)	a. Enterprise, BOD, Compliance
b. Report Data Source	b. Data is acquired through the Automated Underreporter Control System
c. Reports	c. Business Performance Review Summary (BPRS), Strategy, and Program Plans.
Formula/Methodology	The data that goes on the National MISTLE Report comes from individual site AUR control system MISTLE Reports for each of the tax years that are being worked. These reports are computer generated. Take the last MISTLE of the month figure from the 'TOTAL ALL CLOSURES (11-15, 18, 20-29, 35-53, 62-69, 70-74, 80, 82-89, 90-94, 96)' line for each of the tax years the sites are working during the Fiscal Year and subtract this amount from the last MISTLE date of the previous Fiscal Year from the 'TOTAL ALL CLOSURES (11-15, 18, 20-29, 35-53, 62-69, 70-74, 80, 82-89, 90-94, 96)' line to get the current total number of closures for the Fiscal Year.

Data Source/ Measurement Tools	Automated Underreporter Control System.
Reliability of Data	Reasonable Accuracy: <u>AUR Control System</u> – This system controls and captures information on AUR cases. Reports are transmitted to Austin to be included in the information that are used by management for operational decisions and reported to NO for the MISTLE reports. <u>MISTLE</u> – Every Monday, each of the service centers transmit to Austin and are consolidated by a Program Analyst and transmitted to the NO MIS Program Analyst by the COB on Monday. On Tuesdays, the NO MIS Program Analyst reviews each one of the service center's files and consolidates them onto the MISTLE reports. At each level, there are validation checks and reviews are made for reasonableness. If there are any discrepancies in historical data, the MISTLE data is relied on as the agreed figures.
Frequency of Data Availability/Reporting	Monthly

Purpose of Measure: The measure is an indication of the number of tax returns that are being reviewed/worked by the sites for noncompliance of reporting income on the tax returns. Maintaining a presence (through AUR coverage) is a cornerstone of our voluntary compliance system.

Data Limitations: No significant limitations.

Calculation Changes: None for FY 2003.

Complete Description of the Process: The data that goes on the National MISTLE Report comes from individual site AUR control system MISTLE Reports for each of the tax years that are being worked. These reports are computer generated. Take the last MISTLE of the month figure from the 'TOTAL ALL CLOSURES (11-15, 18, 20-29, 35-53, 62-69, 70-74, 80, 82-89, 90-94, 96)' line for each of the tax years the sites are working during the Fiscal Year and subtract this amount from the last MISTLE date of the previous Fiscal Year from the 'TOTAL ALL CLOSURES (11-15, 18, 20-29, 35-53, 62-69, 70-74, 80, 82-89, 90-94, 96)' line to get the current total number of closures for the Fiscal Year

Critical Path:

1. Examiners enter closing process codes on the AUR system
2. Closing process codes are counted on the AUR system MISTLE Report automatically
3. Site AUR system MISTLE Reports are transmitted to Austin for consolidation
4. Consolidated MISTLE Reports are transmitted to NO to be included on the National AUR MISTLE Report

Management Controls for items on critical path

1. AUR run controls are reviewed to see if the weekend processing has been completed and is accurate
2. AUR data is validated.

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	DESCRIPTION
Operating Division (s)	Wage & Investment/Small Business Self Employed: Compliance Center Exam
Measure Name	Correspondence Exam Total Number of Non-EITC Returns Examined
Type of Measure	Critical Measure - Business Results Quantity
Program Category Related Strategic Goal	<ol style="list-style-type: none"> 1. Post-filing 2. Productivity Through a Quality Work Environment
Responsible Official	W & I - Director, Reporting Compliance SB/SE - Director, Compliance Policy
Definition	The number of non-EITC (discretionary) audit closures produced in service center examination.
a. Reporting Level (s)	a. Enterprise, BOD, Compliance.
b. Report Data Source	b. AIMS closed case database.
c. Reports	c. Business Performance Review Summary, Strategy, and Program Plan.

Formula/Methodology	Extract EITC audit closures (Org Codes 5000-5999) by EITC project code from AIMS closed case database and subtract it from total audit closures on the AIMS closed case database. This measure only includes data for the 5 W&I sites.
Data Source/ Measurement Tools	Audit Information Management System (AIMS) closed case database.
Reliability of Data	Reasonable Accuracy. AIMS is programmed to generate regular error registers that identify possible data discrepancies. The error registers are monitored to ensure correction accuracy. Periodically, AIMS goes through systems acceptability testing to ensure it is programmed to work in accordance with system requirements. In addition, the data collection system is checked periodically to ensure that the reports produced are correct.
Frequency of Data Availability/Reporting	Monthly

Purpose of Measure: The measure is an indication of the number of non-EITC (discretionary) returns examined in the examination program. Maintaining a presence (through audit coverage) is a cornerstone of our voluntary compliance system.

Data Limitations: No significant limitations.

Calculation Changes: None for FY 2003.

Complete Description of the Process: When return examinations are completed, a case-closing document (Form 5344) is completed for each return examined by the examiner or systemically by the Return Generation System. The closing document contains such data as, type of return, tax year examined, type of disposal, technique codes, amount of additional tax assessment recommended, number of hours spent on the examination, etc. The closing document data is entered either manually or systemically into the AIMS database. The Detroit Computing Center generates AIMS tables/reports showing cumulative data for the fiscal year. The reports are used to monitor and report the number of examination return closures.

Critical Path:

1. Closing document is prepared and entered into the AIMS database.
2. Detroit Computing Center generates monthly AIMS report files and makes this data available for electronic access by approved employees.
3. AIMS data is converted into user-friendly database (A-CIS.)
4. Approved employees query A-CIS database (AIMS data) to obtain electronic reports of AIMS closures.

Management Controls for items on critical path:

1. Case closing documents are reviewed for accuracy during sample reviews by managers and quality reviewers.
2. AIMS data is validated.
3. Queries used to retrieve data are reviewed for thoroughness and accuracy.

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	DESCRIPTION
Operating Division (s)	Small Business/Self-Employed, Compliance—Correspondence Exam (PAC 7F)
Measure Name	Correspondence Exam Customer Satisfaction
Type of Measure	Balanced Measure—Critical
Program Category Related Strategic Goal	Customer Satisfaction Reporting Compliance Service to All Taxpayers
Responsible Official	Data is received and maintained by SRPM (S:SR:PE:PA) SRPM – Larz Pearson 202-283-2787 Owners: Director, Compliance Services Campus Operations, Bobby Hunt and Director, Campus Reporting Compliance, Cheryl, Gramalia; SBSE Functional Contact – CWSD- Barbara Stecker 631-687-3831,

Definition	Customers' overall satisfaction with their Campus Examination experience stated as % satisfied (= "4" + "5" responses). Survey recipients are asked to rate IRS performance on a five-point scale, where 1 indicates <i>Very Dissatisfied</i> and 5 indicates <i>Very Satisfied</i> .
a. Reporting Level (s)	Valid quarterly at the BOD/National level and annually at the Campus level.
b. Report Data Source	Customer surveys conducted six months preceding report date.
c. Reports	Quarterly national reports from Pacific Consulting Group (PCG) and annual sub-national (Campus). Contractor database received and archived by SE:S:SR: PE:PAI. Contractor provides measurement data file directly to BSP for IRS Data Mart.
Formula/Methodology	The percentage of Customers who were satisfied (responded with "4" or "5") to a single overall satisfaction question. Survey recipients are asked to rate IRS performance on a five-point scale, where 1 indicates <i>Very Dissatisfied</i> and 5 indicates <i>Very Satisfied</i> . Measure = satisfied respondents/all respondents. LIMITATIONS: The sample includes individuals whose income tax returns were examined through correspondence with the IRS and whose cases were then closed. The closing categories include examinations where there were agreements, disagreements, or no changes in the tax liabilities. The sample does not include businesses who file corporate and partnership returns. It does, however, include individual shareholders and partners examined as a result of a corporate audit, as well as sole proprietors and self-employed farmers. It should be noted that the measure is heavily influenced by exogenous factors – in particular, type of case and case outcome. The percentage of Customers who were dissatisfied (responded with "1" or "2") to a single overall satisfaction question. Survey recipients are asked to rate IRS performance on a five-point scale, where 1 indicates <i>Very Dissatisfied</i> and 5 indicates <i>Very Satisfied</i> . Measure = dissatisfied respondents/all respondents. LIMITATIONS: The sample includes individuals whose income tax returns were examined through correspondence with the IRS and whose cases were then closed. The closing categories include examinations where there were agreements, disagreements, or no changes in the tax liabilities. The sample does not include businesses who file corporate and partnership returns. It does, however, include individual shareholders and partners examined as a result of a corporate audit, as well as sole proprietors and self-employed farmers. It should be noted that the measure is heavily influenced by exogenous factors – in particular, type of case and case outcome.
Data Source/ Measurement	Customer surveys conducted six months preceding report date. Quarterly national reports

Tools	from Pacific Consulting Group (PCG) and annual sub-national (Campus). Contractor database received and archived by SE:S:SR: PE:PAI. Contractor provides measurement data file directly to BSP for IRS Data Mart.
Reliability of Data	Reasonable Accuracy - Through weighting, 95% confidence level with +/-5 precision at National and Campus.
Frequency of Data Availability/Reporting	Quarterly BOD/National and annual for Campuses.

Purpose of Measure:

1. To track customer satisfaction and dissatisfaction with the Exam process over time
2. To identify which customer characteristics influence satisfaction ratings
3. To identify areas where improvements will have the greatest impact on customer satisfaction with the Exam process.

Data Limitations: None

Calculation Changes: None

Complete Description of the Process(s) measure originates from: Closed Compliance Center Exam cases are extracted from Aims and provided to an independent survey research company each month. Address information is used to mail surveys to customers shortly after their case is closed. The research company employs multiple mailings designed to achieve acceptable response rates. They then process completed surveys and provide Compliance Center Exam with a summary of customer responses each quarter. The analysis of customer responses completed by the survey research company is the source of the overall satisfaction scores reported for Compliance Center Exam. Customer data and individual customer responses to the surveys are kept strictly confidential and are anonymous to the IRS.

Critical Path:

1. The IRS extracts all closed Compliance Center Exam cases for a month long period and sends them on a magnetic tape via an overnight delivery service.

2. The survey vendor then draws the appropriate sample based on information provided by the IRS, strips the record of any tax related information, and then sends the information via FedEx to another firm who completes the monthly survey mailing process.
3. The survey mailing company uses the sample data files to generate personalized pre-notification letters and survey packets and mails them to every taxpayer included in the sample data file, based on an approved survey-mailing schedule.
4. The survey mailing company electronically scans all surveys collected before the established cut-off date, matches identification numbers against those in the sample data file, and sends the resulting file to the survey vendor.
5. The survey vendor prepares a report based on the monthly data files from the survey mailing company. Electronic copies are provided to the IRS each quarter.

Management Controls:

1. The survey vendor logs the magnetic tapes from the IRS, stamps the transmittal form sent with the tapes with the current date, signs the form, and then faxes it back to the IRS to verify that they tapes have been received.
2. The survey vendor provides a transmittal form along with the sample file sent to the survey mailing company. This form includes specific record counts for each survey sample. The survey mailing company signs and dates
3. The form and faxes it back to the survey vendor to verify that the sample files have been received.
4. The survey vendor "seeds" each monthly sample data files with test addresses to help verify the accuracy and timeliness of the survey mailing company's procedures.
5. A transmittal form is included with the sample data file, which the survey vendor signs and dates and faxes back to the survey mailing company.
6. The survey vendor performs four internal quality reviews before providing draft quarterly reports to the IRS for review. The IRS reviews each quarterly report and provides comments and/or corrections to the survey vendor before each report is finalized.

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	DESCRIPTION
Operating Division (s)	Wage & Investment/Small Business Self Employed: Compliance Center Exam
Measure Name	Outcome: Correspondence Exam Accuracy
Type of Measure	Critical (Outcome) Measure – Business Results Quality
Program Category Related Strategic Goal	1. Post-filing 2. Productivity Through a Quality Work Environment
Responsible Official	W & I - Director, Reporting Compliance SB/SE - Director, Compliance Policy
Definition	Accuracy is one component of case quality under the embedded system, which measures the accuracy of the resolution of an exam case.
a. Reporting Level (s)	a. Enterprise, BOD, Compliance Services, Site and Function
b. Report Data Source	b. Quality Review Database (QRDbv2)
c. Reports	c. BPRS (Business Performance Review Summary), Strategy, and Program Plans
Formula/Methodology	In this particular measure, there is only one attribute per review. This attribute is scored based on the accuracy of the case response/resolution to the taxpayer. The PAS/Quality Review Staff code attribute 715 on the Data Collection Instrument (DCI) as cases are reviewed. Data is input into the QRDbv2 for product review and service reporting.
Data Source/ Measurement Tools	QRDbv2 database.
Reliability of Data	Reasonable Accuracy - PAS/Quality Review Staff codes Field 715 on the DCI as cases are reviewed. Data is input to the QRDbv2. The QRDbv2 contains several levels of validation that occur as part of the review process. The input records are validated by requiring entries and combinations of entries based upon the relationships inherent in different product lines or based upon an entry in a quality attribute. Every review is available on-line to the sites for verification purposes. Sites monitor their review records daily and have a small rebuttal period to contest any review.

Frequency of Data Availability/Reporting	<p>Unweighted data is available on-line after input.</p> <p>Weighted data is run monthly as soon as the AIMS closed case volumes and closed reconsideration case volumes are available.</p> <p>This usually occurs within two weeks after month end.</p>
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Purpose of Measure: The purpose of this measure is to capture the percent of taxpayers who receive the correct resolution to their exam case.

Data Limitations: None

Calculation Changes: The calculation remains the same as FY 2003.

Complete Description of the Process(s) measure originates from: Accuracy is measured based on a sample plan developed by Statistics of Income (SOI) annually that is statistically validated quarterly at the site level and monthly at the national level.

Critical Path:

1. The PAS/Quality Review Staff reviews cases based on the SOI designed plan.
2. Cases are evaluated for customer accuracy, procedural accuracy, regulatory accuracy, professionalism, and timeliness. Results are input into the Quality Review Database (QRDbv2). This will provide an unweighted score.
3. To obtain a weighted score, monthly volumes of AIMS closed cases and closed reconsideration cases are input to the QRDbv2, usually within two weeks of month end, to update the fiscal year cumulative data.
4. Headquarters (HQ) extracts the report data from the QRDbv2.

Management Controls for items on critical path:

1. HQ Exam analysts monitor the QRDbv2 monthly to ensure that sample plans have been followed.
2. HQ Exam analysts monitor QRDBv2 for consistency in coding DCI's and work with the Sites to resolve any inconsistencies.

HQ Exam analysts participate in monthly consistency conference calls with the Sites to resolve any questions and reinforce correct procedures.

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	DESCRIPTION
Operating Division (s)	Small Business/Self-Employed, Compliance--Field Exam (PAC 7G)
Measure Name	Number of Business Returns Examined (SBSE/LMSB) Number of Field and Office Exam Returns Closed: Corp< \$ 10 Million
Type of Measure	Balanced Measure—Critical
Program Category	Business Results Quantity
Related Strategic Goal	Field Examination Tax Reporting Compliance Program Service to All
Responsible Official	Measure Owner: Director, Compliance Policy SB/SE: Martha Sullivan--SBSE ; Data Owner - Bill Hildebrandt (202)283-2268 / Functional Contact - Pauline Riendeau (202) 283-0472
Definition	The sum of all corporate returns with assets less than \$10 Million closed by SBSE Areas.
a. Reporting Level (s)	Operating Unit, Area
b. Report Data Source	AIMS CCDB
c. Reports	
Formula/Methodology	Count the year-to-date number of closures on the AIMS Closed Case Database for SBSE [AIMS-BOD-CD] = '2' for the period with [AIMS-ACTIVITY-CD] = 203, 209, 213, 215 or 217 including RA [EMPLOYEE-TYPE-CD] = 1, TCO [EMPLOYEE-TYPE-CD] = 2, TE [EMPLOYEE-TYPE-CD] = 9, and ROE [EMPLOYEE-TYPE-CD] = 6. To determine monthly closures, use the [Production-Cycle] field.
Data Source/ Measurement Tools	AIMS CCDB
Reliability of Data	Reasonably Accurate
Frequency of Data Availability/Reporting	Monthly

Purpose of Measure: This measure is used to assess whether IRS is using its resources in the proper manner and ensuring appropriate examination coverage of corporations with assets < \$10 Million.

Data Limitations: None

Calculation Changes: None

Complete Description of the Process(s) measure originates from:

Data delivered 2 working days after SETTS cut-off and 7 working days after AIMS cut-off.

- 5 working days for field to edit cases that get reported on QRDb
- 5 working days for Headquarters to enter volumes to produce weighted reports
- Field personnel given 5 days after reporting cut-off to input data
- Data delivered 2 working days after SETTS cut-off.

Critical Path:

- Return is selected for Examination and case created
- Assignment of Case to Revenue Agent
- Disposition determination made by Revenue Agent on closing document
- Closing information input by technician
- Account Information updates Master File

Management Controls:

- Information is made available to the customer base
- Program Managers check data and look for extreme variation in the numbers
 - Any major changes are analyzed to determine if the data entry is accurate

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	DESCRIPTION
Operating Division (s)	Small Business/Self-Employed, Compliance--Field Exam (PAC 7G)
Measure Name	Number of Field and Office Exam Returns Closed: IMF>\$100,000
Type of Measure	Balanced Measure—Critical
Program Category Related Strategic Goal	Business Results-Quantity Field Examination Tax Reporting Compliance Program Service to All
Responsible Official	Measure Owner: Director, Compliance Policy SB/SE: Martha Sullivan--SBSE ; Data Owner - Bill Hildebrandt (202)283-2268 / Functional Contact - Pauline Riendeau (202) 283-0472
Definition	The sum of all individual returns closed by SBSE Areas during the period with total positive income equal or greater than \$100,000.
a. Reporting Level (s)	Operating Unit, Area AIMS CCDB
b. Report Data Source	
c. Reports	
Formula/Methodology	Count the year-to-date number of closures on the AIMS Closed Case Database for SBSE [AIMS-BOD-CD] = '2' with [AIMS-ACTIVITY-CD] = 534, 537, or 539 including RA [EMPLOYEE-TYPE-CD] = 1, TCO [EMPLOYEE-TYPE-CD] = 2, TE [EMPLOYEE-TYPE-CD] = 9, and ROE [EMPLOYEE-TYPE-CD] = 6. To determine monthly closures, use the [Production-Cycle] field.
Data Source/ Measurement Tools	AIMS CCDB
Reliability of Data	Reasonably Accurate
Frequency of Data Availability/Reporting	Monthly

Purpose of Measure: This measure is used to assess whether IRS is using its resources in the proper manner and ensuring appropriate examination coverage at income levels above \$100,000.

Data Limitations: None

Calculation Changes: None

Complete Description of the Process(s) measure originates from:

- Data delivered 2 working days after SETTS cut-off and 7 working days after AIMS cut-off.
- 5 working days for field to edit cases that get reported on QRDb
- 5 working days for Headquarters to enter volumes to produce weighted reports
- Field personnel given 5 days after reporting cut-off to input data
- Data delivered 2 working days after SETTS cut-off.

Critical Path:

1. Return is selected for Examination and case created
2. Assignment of Case to Revenue Agent
3. Disposition determination made by Revenue Agent on closing document
4. Closing information input by technician
5. Account Information updates Master File

Management Controls:

- Information is made available to the customer base
- Program Managers check data and look for extreme variation in the numbers
- Any major changes are analyzed to determine if the data entry is accurate

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	DESCRIPTION
Operating Division (s)	Small Business Self Employed/Large & Mid-Size Business
Measure Name	Individual Return Examinations < \$100K
Type of Measure	Business Result – Quantity
Program Category	Field Examination Tax Reporting Compliance Program
Related Strategic Goal	Service To All Taxpayers
Responsible Official	Director, Strategy, Research and Performance Management
Definition	Number of Individual (Form 1040) returns closed through a time period from the beginning of the fiscal year with a total positive income or total gross receipts less than \$100,000.
a. Reporting Level (s) b. Report Data Source c. Reports	National
Formula/Methodology	Sum of the returns of Individual Examinations (Form 1040) in activity classes of 530,531,532,533,535,536, and 538 closed cumulative through the time period.
Data Source/ Measurement Tools	Audit Information Management System (AIMS) closed case database
Reliability of Data	Reasonable Accuracy – there are various management reviews before an entry is input to AIMS. If the input does not pass validity and consistency checks as it is entered into AIMS, it is rejected. It must be corrected before the data is accepted, posted on AIMS, and sent to the Master File. If the data fails any Master File systemic checks, it is rejected and sent back to the originator for necessary action. AIMS is programmed to weekly/monthly generate error registers which are provided to a designated office or branch for resolution. Monthly, data is extracted and sent to Detroit Computing Center (DCC) for insertion into National reports and open and closed case data files. On a monthly basis, DCC transmits the reports to National Office for validity checks (ensuring that all data is included and that formulas/equations are calculating correctly. Periodically, HQ systems acceptability testing (SAT) and DCC test the systems to ensure they meet requirements.
Frequency of Data Availability/Reporting	Monthly

Purpose of Measure: This measure is used to assess whether IRS is using its resources in the proper manner and ensuring appropriate examination coverage at income levels below \$100,000.

Data Limitations: None

Calculation Changes: None

Complete Description of the Process(s) measure originates from: Data delivered 2 working days after SETTS cut-off and 7 working days after AIMS cut-off.

- 5 working days for field to edit cases that get reported on QRDb
- 5 working days for Headquarters to enter volumes to produce weighted reports
- Field personnel given 5 days after reporting cut-off to input data
- Data delivered 2 working days after SETTS cut-off.

Critical Path:

Return is selected for Examination and case created

Assignment of Case to Revenue Agent

Disposition determination made by Revenue Agent on closing document

Closing information input by technician

Account Information updates Master File

Management Controls:

- Information is made available to the customer base
- Program Managers check data and look for extreme variation in the numbers
- Any major changes are analyzed to determine if the data entry is accurate

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	DESCRIPTION
Operating Division (s)	Small Business/Self-Employed, Compliance--Field Exam (PAC 7G)
Measure Name	Field Exam Customer Satisfaction
Type of Measure	Balanced Measure—Critical
Program Category Related Strategic Goal	Customer Satisfaction Field Examination Tax Reporting Compliance Program Service to All Taxpayers
Responsible Official	
Definition	a). Customer Satisfaction
a. Reporting Level (s) b. Report Data Source c. Reports	Customers' overall dissatisfaction with their Field Examination experience stated as % dissatisfied (= "1" + "2" responses). Survey recipients are asked to rate IRS performance on a five-point scale, where 1 indicates <i>Very Dissatisfied</i> and 5 indicates <i>Very Satisfied</i> .
Formula/Methodology	The percentage of Customers who were satisfied (responded with "4" or "5") to a single overall satisfaction question. Survey recipients are asked to rate IRS performance on a five-point scale, where 1 indicates <i>Very Dissatisfied</i> and 5 indicates <i>Very Satisfied</i> . Measure = satisfied respondents/all respondents. LIMITATIONS: the survey population is based solely on the audit closures of individual taxpayers. Audit closures involving Estate, Excise and Gift tax returns are not included in the survey population. Also excluded from the sample are individuals who did not respond to the IRS audit appointment letter and subsequent correspondence, individuals whose correspondence was undeliverable, and individuals with international addresses. .The measure does not include contacts that the Examination division had with individuals that did not result in an audit closure. Measure can be affected by case-related variables.
Data Source/ Measurement Tools	Customer surveys conducted six months preceding report date. Quarterly national reports from Pacific Consulting Group (PCG) and annual sub-national (Area). Contractor database received and archived by SE:S:SR: PE:PAI. Contractor provides measurement data file directly to BSP for IRS Data Mart.
Reliability of Data	Reasonable Accuracy – Sample sizes selected to provide maximum of +/- 5% confidence interval at 95% confidence level. The Audit Information Management System (AIMS) Closed

	Case database is programmed to generate valid samples of cases closed during the month. An independent contractor surveys these taxpayers via a mail out survey to obtain information on customers' perceptions of the service they received and to identify opportunities for improving service to Examination customers.
Frequency of Data Availability/Reporting	1.3 Quarterly National/BOD and annual Area.

Purpose of Measure:

1. To track customer satisfaction and dissatisfaction with the Examination process over time
2. To identify which customer characteristics influence satisfaction ratings
3. To identify areas where improvements will have the greatest impact on customer satisfaction.

Data Limitations: Customers who did not respond to an audit appointment letter and subsequent correspondence, unlocatable customers (appointment letter was returned undeliverable) and customer who have an international address are not included in the survey. Also, if a customer received a survey from Examination within the last twelve months they are excluded from the sample.

Calculation Changes: None

Complete Description of the Process(s) measure originates from: Closed examination cases are extracted from Aims and provided to an independent survey research company each month. Address information is used to mail surveys to customers shortly after their case is closed. The research company employs multiple mailings designed to achieve acceptable response rates. They then process completed surveys and provide Exam with a summary of customer responses each quarter. The analysis of customer responses completed by the survey research company is the source of the overall satisfaction scores reported for Exam. Customer data and individual customer responses to the surveys are kept strictly confidential and are anonymous to the IRS.

Critical Path:

1. The IRS extracts all closed cases for a month long period.
2. Sends them on a magnetic tape via an overnight delivery service.

3. The survey vendor then draws the appropriate sample based on information provided by the IRS, strips the record of any tax related information, and then sends the information via FedEx to another firm who completes the monthly survey mailing process.
4. The survey mailing company uses the sample data files to generate personalized pre-notification letters and survey packets and mails them to every taxpayer included in the sample data file, based on an approved survey-mailing schedule.
5. The survey mailing company electronically scans all surveys collected before the established cut-off date, matches identification numbers against those in the sample data file, and sends the resulting file to the survey vendor.
6. The survey vendor prepares a report based on the monthly data files from the survey mailing company. Electronic copies are provided to the IRS each quarter.

Management Controls:

1. The survey vendor logs the magnetic tapes from the IRS, stamps the transmittal form sent with the tapes with the current date, signs the form, and then faxes it back to the IRS to verify that they tapes have been received.
2. The survey vendor provides a transmittal form along with the sample file sent to the survey mailing company. This form includes specific record counts for each survey sample. The survey mailing company signs and dates the form and faxes it back to the survey vendor to verify that the sample files have been received.
3. The survey vendor "seeds" each monthly sample data files with test addresses to help verify the accuracy and timeliness of the survey mailing company's procedures.
4. A transmittal form is included with the sample data file, which the survey vendor signs and dates and faxes back to the survey mailing company.
5. The survey vendor performs four internal quality reviews before providing draft quarterly reports to the IRS for review. The IRS reviews each quarterly report and provides comments and/or corrections to the survey vendor before each report is finalized.

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	DESCRIPTION
Operating Division (s)	Large and Mid-Size Business
Measure Name	Customer Satisfaction Industry and Coordinated Industry Cases
Type of Measure	Customer Satisfaction
Program Category	Post Filing Compliance Services
Related Strategic Goal	Service to Each Taxpayer
Responsible Official	Director, Performance, Quality and Innovation
Definition	<p>Percentage of taxpayers who respond to our post-examination survey with a "5-Totally Satisfied" or a "4-Mostly Satisfied" to the question concerning overall satisfaction with their examination experience.</p> <p>We are also separately tracking the Customer Dissatisfaction percentage. This is the percent of taxpayers who respond with a "1-Totally Dissatisfied" to the survey.</p>
a. Reporting Level (s) b. Report Data Source c. Reports	Reports, broken out by industries, will be distributed down to Headquarters and Industry Directors
Formula/Methodology	An outside contractor identifies Coordinated Industry Case taxpayers who were examined in the past year and sends a survey to them concerning their satisfaction with various aspects of the examination process, including their overall satisfaction.
Data Source/ Measurement Tools	The survey results and the analysis of the results that is performed by the outside contractor.
Reliability of Data	Reasonable Accuracy – all CIC taxpayers examined in the past year are surveyed. The sample size is large enough to be statistically valid. The Coordinated Examination Management Information System (CEMIS) is used to identify the taxpayers that will be contacted. The CEMIS is a reasonably accurate source of data on closed cases.
Frequency of Data Availability/Reporting	Surveys are conducted on a quarterly basis. Overall results are on a yearly basis. This year's results are from surveys conducted this year, on taxpayers whose examinations concluded in the prior year.

Purpose of Measure: Customer Satisfaction is one of the three main elements in Balanced Measures. The Satisfaction Surveys allow us to determine how our customers feel about many aspects of the examination process. This allows us to

identify problem areas in the process and to identify areas of success. The overall satisfaction percentage is a prime indicator as to how successful our customers feel we are in conducting the examination process.

Data Limitations: The data accurately reflects the opinions of the surveyed taxpayers about the examination process that they just completed. Not all taxpayers reply, but enough reply that we may have confidence in the conclusions. We realize that not all taxpayers may be able to give us an objective answer to the overall satisfaction question, since their answer may be colored by the issues involved in the audit and the significance of the additional tax involved.

Calculation Changes: We are tracking both Customer Satisfaction (answers of 5 or 4) and Customer Dissatisfaction (answers of 1). There have been no changes to the overall survey procedures.

Complete Description of the Process: Taxpayers that have had Compliance contact are solicited to participate in the survey either through a mail-out or telephone survey. The results of the surveys are compiled by PCG and provided to the Service for review before the quarterly report is published.

Critical Path:

1. The examination is completed by the group and the case is closed by the ESP unit.
2. The closing information flows into the AIMS Closed Case Database (CCDB).
3. The survey contractor uses the CCDB to select a statistically valid random sample of the closed Industry taxpayers.
4. The survey is sent to these taxpayers. Responses are collected by the contractor.
5. The contractor consolidates the responses and performs analysis of the responses. The contractor provides both LMSB and Industry level analysis.
6. The final product from the survey contractor is a MS PowerPoint document that is sent to the Satisfaction Surveys Coordinator in the LMSB Performance, Quality and Innovation (PQI) unit.
7. The PQI Satisfaction Surveys Coordinator sends the copy of the PowerPoint document to (LMSB Analyst - Chicago) who populates his spreadsheet, and provides data to OPD.

Management Controls for items on critical path:

1. There are controls and validity checks built into the AIMS CCDB that ensure that it captures all closed cases.
2. The PQI Satisfaction Surveys Coordinator periodically checks the sample database to ensure that the proper closed cases are being sampled. Any problems are then resolved. For example, checks are made to ensure that the taxpayers being surveyed are actually Industry Cases (IC) and not Coordinated Industry Cases (CIC).

3. PQI works closely with the survey contractor to write the survey questions, so that they accurately reflect the areas that we wish to survey.
4. The survey contractor was chosen for their experience and expertise in these types of surveys. They have their own internal controls.
5. Once the overall percentages are determined and entered into the various reports by the LMSB Analyst in Chicago, those results are checked by other analysts and several levels of management in PQI to ensure that no posting errors were made in transferring the results from the survey contractor's documents to the reports.

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	DESCRIPTION
Operating Division (s)	Tax Exempt and Government Entities
Measure Name	EP/EO Case Quality Score
Type of Measure	Business Result – Quality
Program Category	Tax Reporting Compliance
Related Strategic Goal	Service to All Taxpayers
Responsible Official	Director, Planning
Definition	The level of quality in the EP or EO examination program, as measures by the Tax Exempt Quality Measurement System (TEQMS).
a. Reporting Level (s) b. Report Data Source c. Reports	National level in FY 2000, national and area office levels in FY 2001
Formula/Methodology	Fiscal-year cumulative score. The quality score is the average percentage of quality standards rated met (number of standards passed divided by the number of standards rated for the reviewed cases).
Data Source/ Measurement Tools	TEQMS. Quality Measurement staff rate case quality by completing electronic input forms on sampled cases. Data is up-loaded into the TEQMS database and numeric scores are calculated automatically from rating information.
Reliability of Data	Annual sample size selected to provide a +/- 7% margin of error at a 95% confidence level. The EP/EO return Inventory Control System (ERICS) samples cases that are ready for closing at the group level on a daily basis. Both electronic input forms and the TEQMS database contain information validity checks. Errors are resolved by Special Review and

	Headquarters staff.
Frequency of Data Availability/Reporting	Quarterly

Purpose of Measure: The measure provides a gauge of how well our examination casework follows an established set of quality guidelines. Maintaining high quality is desirable to establish a thorough audit trail, to improve customer service, and reduce downstream rework.

Data Limitations: It is challenging to achieve consistency in application of the quality standards since reviewers must exercise their own judgment. Consistency reviews have been put in place to address this concern (see below).

Calculation Changes: No changes have been made in the formula for calculating the measure (standards passed/standards rated).

EP Exam is changing the definition of quality aspect 1A3 for FY 2002. Specifically, alternative methods to properly verify the date a Form 5500 was filed will be permitted (previously only an EMFOL-T was allowed). This change should result in more cases passing this particular aspect since the RICS Classification Sheet is more readily available than an EMFOL-T. Aspect 1A3 is not a key quality element; the change in its application is not expected to have a significant impact on the Examination Planning standard (or the overall quality score). Based on an analysis of all records in the database, the summary Examination Planning question was never rated NO solely because of a NO rating for quality aspect 1A3.

Complete Description of the Process(s) measure originates from:

Examination group close cases on ERICS. Cases are sampled during the overnight batch process. Selected cases are forwarded to Review. Assigned cases are reviewed and a UFILL disk (an electronic quality input form) prepared. The secretary uploads the UFILL disks and review the Status of Records Report. If the disk contains errors, the UFILL disk is returned to the reviewer for correction. The process is repeated until no errors exist. Quarterly reports are generated from the database and reviewed for accuracy and analysis.

Critical Path:

1. Cases sampled
2. Cases reviewed/complete UFILL disk (electronic input form)
3. Upload UFILL disk

4. Management Reports generated with quality score

Management Controls :

- The population of case closures is monitored during the year and any needed adjustments to the sample size considered. The sampling program is monitored to ensure it is on track with established targets. Special Review is responsible for monitoring physical receipt of cases selected via ERICS. The TEQMS analyst and Special Review resolve issues on any case selected in error (i.e., selected due to erroneous information entered in ERICS by examination groups).
- Periodically, Consistency Reviews are conducted to ensure quality standards are being applied to cases consistently by reviewers. The UFILL disks contain limited validity checks.
- UFILL disks are uploaded to the database and additional validity checks are performed on the data. A report (Status of Records) is generated to confirm a successful load or a detailed description of errors. Special Review is responsible for correcting all errors.
- Management Reports are generated and analyzed by the TEQMS analyst. If errors are detected, they are resolved. Reports are put in final form and provided to Special Review for further analysis and distribution to management.

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	DESCRIPTION
Operating Division (s)	Tax Exempt and Government Entities
Measure Name	Employee Plans and Exempt Organizations Customer Satisfaction
Type of Measure	Customer Satisfaction
Program Category	Compliance
Related Strategic Goal	Service To Each Taxpayer
Responsible Official	Director, Planning

Definition	Customers' overall level of satisfaction with the way their cases were handled by the IRS Employee Plans and Exempt Organizations Determination programs. Stated as % Satisfied and % Dissatisfied.
a. Reporting Level (s) b. Report Data Source c. Reports	National and Area – office levels
Formula/Methodology	Survey respondents rated EP and EO Examination service on a 7point scale, where 1 equals "Very Dissatisfied" and 7 equals "Very Satisfied." The scores are stated as percent satisfied and percent dissatisfied for EO and for EP Taxpayers. These scores are then averaged and stated as overall Satisfaction and Dissatisfaction for EP/EO Programs.
Data Source/ Measurement Tools	Customer Satisfaction Surveys conducted by an independent research company managed by the Organizational Performance Division.
Reliability of Data	Reasonable Accuracy – The overall satisfaction scores for EP and EO Examination are based on surveys mailed to all eligible customers with closed examination cases with the goal of producing estimates of customer satisfaction with no more than a +/- 5 margin of error at the 95% confidence level.
Frequency of Data Availability/Reporting	Statistically valid estimates of customer satisfaction for EP and EO Examination service are available quarterly at the National level and annually at the Area-office level.

Purpose of Measure: The measure provides an overall indication of how customers perceive their interactions with TE/GE's EP and EO Examination programs. Each customer survey asks customers to rate their satisfaction with different aspects of EP and EO Examination services to help identify top opportunities for improving customer satisfaction.

Data Limitations: EP and EO Examination cases closed by the IRS Appeals division, cases closed with disposal codes indicating claims allowed in full or referrals to LMSB or SBSE, and cases with international addresses are excluded from the survey process. EP and EO Examination surveys only measure the satisfaction of customers who have interacted with the examination programs and, therefore does not reflect the overall satisfaction of all TE/GE customers. Customer response rates for the EP and EO Examination surveys generally exceed 50%. Although considered good by both private and public research standards, response rates less than 100% potentially introduce non-response bias into the results.

Calculation Changes: No changes were made to the survey methodology during the last fiscal year.

Complete Description of the Process(s) measure originates from: Closed examination case records for EP and EO are extracted from AIMS and provided to an independent survey research company each month. Address information from AIMS is used to mail surveys to customers shortly after their examination cases close. The survey research company employs multiple mailings designed to achieve acceptable response rates. The survey research company processes completed surveys and provides TE/GE with a summary of customer responses each quarter. The analysis of customer responses completed by the survey research company is the source of the overall satisfaction scores reported for EP and EO Examination. (Customer data and individual customer responses to the surveys are kept strictly confidential and are anonymous to the IRS).

Critical Path:

1. IRS performs an extract of AIMS during the third weekend of each month and forwards the results to the survey vendor on magnetic tape via Federal Express.
2. Using criteria established by the IRS, the survey vendor draws the appropriate sample from the AIMS extract, strips a tax related information from the sample, and then mails the sample via Federal Express to another firm who completes the monthly survey mailing process.
3. The survey mailing company uses the sample data files to generate personalized pre-notification letters and survey packets and mails them to every taxpayer included in the sample data file, based on an approved survey mailing schedule.
4. The survey mailing company electronically scans all surveys collected before the established cut-off date, matches identification numbers against those in the sample data file, and sends the resulting file to the survey vendor.
5. The survey vendor prepares a report based on the monthly data files from the survey mailing company. Paper and electronic copies are provided to the IRS each quarter.

Management Controls for items on critical path:

1. The survey vendor logs the magnetic tapes from the IRS, stamps the transmittal form sent with the tapes with the current date, signs the form, and then faxes it back to the IRS to verify that they tapes have been received.
2. The survey vendor provides a transmittal form along with the sample file sent to the survey mailing company. This form includes specific record counts for each survey sample. The survey mailing company signs and dates the form and faxes it back to the survey vendor to verify that the sample files have been received.
3. The survey vendor “seeds” each monthly sample data files with test addresses to help verify the accuracy and timeliness of the survey mailing company’s procedures.

4. A transmittal form is included with the sample data file, which the survey vendor signs and dates and faxes back to the survey mailing company.
5. The survey vendor performs four internal quality reviews before providing draft quarterly reports to the IRS for review. The IRS reviews each quarterly report and provides comments and/or corrections to the survey vendor before each report is finalized.

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	DESCRIPTION
Operating Division (s)	Tax Exempt and Government Entities
Measure Name	Number of TEGE Compliance Contacts
Type of Measure	Business Result – Quantity
Program Category	Tax Reporting Compliance
Related Strategic Goal	Service to All Taxpayers
Responsible Official	Director, Planning
Definition	The number of Employee Plan , Exempt Organization and Government Entity return examinations closed in all categories.
a. Reporting Level (s) b. Report Data Source c. Reports	National level in FY 2000, national and area office levels in FY 2001
Formula/Methodology	Fiscal-year cumulative count of the total return examinations closed
Data Source/ Measurement Tools	TE/GE Audit Information Management System (AIMS)
Reliability of Data	Reasonable Accuracy. AIMS is programmed to generate regular error registers that identify possible data discrepancies The Director, EO Examinations and EP Examinations are responsible for correcting errors and the Director, Business Systems Planning monitors the error registers to ensure correction accuracy. Periodically, AIMS is SAT (systems acceptability testing) tested to ensure it is programmed to work in accordance with system requirements. In addition, the data collection system is checked periodically to ensure that the reports produced are correct.
Frequency of Data Availability/Reporting	Monthly

Purpose of Measure: The measure is an indication of the number of returns examined in the examination program. Maintaining a visible presence in the community (through audit coverage) is a cornerstone of our voluntary compliance system.

Data Limitations: No significant limitations.

Calculation Changes: None

Complete Description of the Process: When return examinations are completed, the revenue agent completes a case-closing document (Form 5650/5590/5330) for each return examined. The closing document contains such data as type of organization, type of return, tax year examined, type of disposal, principal issue codes, amount of additional tax assessment recommended, number of hours spent on the examination, agent's grade, case grade, etc. The closing document data is entered to the AIMS database by data entry employees. The Detroit Computing Center generates AIMS tables/reports showing cumulative data for the fiscal year. The reports are used by Program Management staff to monitor and report the number of examination return closures.

Critical Path:

1. Revenue Agent completes a closing document
2. Data entry clerks enter closing document data to the AIMS database
3. Detroit Computing Center generates monthly AIMS report files and makes this data available for electronic access by approved employees

Management Controls for items on critical path:

1. Group managers review data entered on closing documents by EO agents prior to approving case for closing
- 2a. AIMS/Master File checks generate error registers for resolution of discrepancies
- 2b. Error registers supplied to office attempting to close case to correct error conditions
- 2c. Headquarters monitors number of discrepancies for timely resolution

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	DESCRIPTION
Operating Division (s)	Appeals
Measure Name	Outcome: Appeals Closures (Total Disposals) to Receipts Ratio
Type of Measure	Business Result – Quantity
Program Category	1. Compliance Services
Related Strategic Goal	2. Service to Each Taxpayer
Responsible Official	Business Result – Quantity
Definition	Ratio of Total Disposals to total cases Received in Appeals will measure total Appeals outcome
a. Reporting Level (s) b. Report Data Source c. Reports	Area Office
Formula/Methodology	A case is considered closed at the point it is closed on the Appeals Centralized Database System (ACDS). Appeals will footnote the number of docketed cases closed unaired in Appeals and tried and settled by Counsel. A case is considered a receipt at the point it is logged onto ACDS. The ratio of closures to receipts will be stated as a percentage.
Data Source/ Measurement Tools	Appeals Centralized Database System (ACDS)
Reliability of Data	Reasonable accuracy: The ACDS includes front-end accuracy/consistency checks and cross-validations (prior to transmission of data for storage). ACDS also includes numerous reports for validating data with other parts of IRS such as uniMatch, AIMS validation and Status 81 list. ACDS includes annual physical and electronic inspections and verification of statutes.
Frequency of Data Availability/Reporting	Monthly.

Purpose of Measure: Total cases closed will measure the total number of cases closed in Appeals as a measure of total Appeals production and output. The number of cases closed in Appeals is an indicator of how effective Appeals is in resolving tax disputes and is also an indicator of how effectively the resources allocated to the program are being utilized.

Data Limitations: None. Generally, Appeals accepts all cases for which an administrative appeal to a tax dispute within the Internal Revenue Service is allowed under the law.

Calculation Changes: None

Complete Description of the Process(s) measure originates from: A non-docketed case is generally received in Appeals after a taxpayer disagrees with a determination made by one of the Compliance functions (within each Operating Division) and a protest is filed requesting a conference with an appeals officer. A docketed case is generally received in Appeals after a taxpayer is issued a “Statutory Notice of Deficiency” by one of the Compliance functions and a petition is filed in the Tax Court disagreeing with those findings. All cases received in Appeals are tracked by the Appeals Centralized Database System (“ACDS”). Once a case is received in Appeals and entered on ACDS, it is assigned to an appeals officer who holds a conference with the taxpayer and negotiates a settlement. The Appeals mission is to resolve tax controversies, without litigation that is fair and impartial to both the Government and taxpayer and in a manner that will enhance voluntary compliance and public confidence in the integrity and efficiency of the Service. Once a settlement is reached and approved it is processed as an agreed case closing. If a settlement is not reached in Appeals it is processed as an unagreed case closing. A case is considered closed once it is closed on the Appeals Centralized Database System. The Appeals Records Section inputs all the information on the closing (such as closing code, date closed, revised dollars, etc). This case then counts for statistical purposes as a closed case. It is a fundamental purpose of the Appeals function to effect settlement of contested cases – on a basis fair to both the Government and taxpayer – so that the greatest number of non-docketed cases are closed in that status and the greatest possible number of docketed cases are closed without trial. As each Appeals office rolls up their data for the month, it is automatically combined for national office purposes and made available on the central server.

Critical Path: Control of Appeals case receipt into ACDS and assignment to Appeals Officer
Control of case closing information being input to ACDS
Data is extracted from ACDS and used to prepare monthly reports.

Management Controls for items on critical path: Match up of cases on AIMS against the cases on ACDS to ensure that AIMS cases assigned to Appeals are also on the ACDS is done. The AIMS data is available monthly for the office to generate the report. Per IRM 8.1.1, Chapter 8, there are several reports and requirements:

Status 81 – Cases shipped to Appeals but not received. The IRM requirement is that all cases on the list over 60 days must be researched. The IRM lists the requirements for researching. The researched lists are maintained in the office for

at least 1 year. Semiannually, (Feb and July) the offices are required to send a copy of the 81 list to the Area Director Office for review. Annually, the Area Directors office must provide results of the reviews to Headquarters Appeals. AMATCH reports (previously uniMATCH) are listed in IRM 8.1.1 Chapter 8. Each Appeals office is required to conduct an AIMS inventory validation at least once during the fiscal year (although the AIMS data is provided to each office on a monthly basis). All documentation is retained for three years. (As of 11/1/01 Appeals is re-writing the IRM to make this a quarterly requirement)

A list is generated monthly showing unassigned open cases to ensure that all cases on the system get assigned. A review of Monthly reports is mandatory to validate ACDS field, e.g. closures report. Database validations are done within the area offices by creation of ad hoc reports. Headquarters Appeals also generates ad hoc reports to validate case closing information. IRM 8.1.1 Chapter 8 lists all of the follow-up reports and their requirements. These worked reports are retained for one year with documentation of research attached. With respect to Ad Hoc report, the IRM requires that all worked copies of Ad Hoc requests be retained for six months with research attached. This requirement applies to all Appeals offices including Headquarters.

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	DESCRIPTION
Operating Division (s)	Taxpayer Advocate Service
Measure Name	Outcome: TAS Closure to Receipt Ratio
Type of Measure	Business Result – Quantity
Program Category	Compliance Services
Related Strategic Goal	Service to Each Taxpayer
Responsible Official	Director, Program Planning and Quality
Definition	This is the ratio of the number of regular TAS criteria closures to the number of regular TAS criteria receipts for the same period (i.e., month, FY cum, etc.). To ensure that TAS inventory does not increase, the ratio should be at least 100%.
a. Reporting Level (s)	Office/Area/National
b. Report Data Source	Taxpayer Advocate Management Information System (TAMIS)
c. Reports	Vision Query (VQ) report

Formula/Methodology	The number of TAS regular criteria closures divided by the number of TAS regular criteria receipts..
Data Source/ Measurement Tools	TAMIS database/VQ report
Reliability of Data	Reasonable Accuracy – A TAS regular criteria case is a first-time case into the TAS program that meets one of TAS’ seven criteria. A TAS case is considered closed when all actions have been taken to resolve the taxpayer’s problem(s) and the taxpayer or representative has been notified. The total number of regular criteria receipts and regular criteria closures is calculated using a data extract report from the TAMIS database on a monthly basis. The closure count is divided by the receipt count to obtain the ratio. Since TAMIS is a real-time database, counts for receipts and closures may vary depending on changes made to the database accounts.
Frequency of Data Availability/Reporting	Monthly

Purpose of Measure: The ratio is an indicator to identify increases and decreases in TAS’ inventory. To ensure the inventory remains the same, we set a goal of 100%. To ensure that our inventory decreases, we strive to obtain a ratio of over 100%.

Data Limitations: This measure is the result of the division of the number of closures by the number of receipts. The receipt and closure counts do not include reopened, duplicate, or non-criteria cases which make up TAS’ complete workload.

Calculation Changes: None

Complete Description of the Process: See IRM 13.1.7, Taxpayer Advocate Service Case Processing, for specific details regarding TAS criteria, acceptance into TAS, requirements for closure, etc.

Critical Path:

- Receipts are counted using the date when the case was entered on the TAMIS database.
- Closures are counted using the date the closure was documented on the TAMIS database.

- The counts are taken monthly using VQ reports and divided to obtain the ratio.
- An extract of the receipt and closure data is loaded onto BPMS.

Management Controls for items on critical path: There are within the TAMIS database internal system validity checks and cross-checks to help ensure data and count accuracy (e.g., non-modifiable system dates used for report period start and end dates, special case coding used with TAS criteria cases, etc.).

As part of the Manager's Annual Assurance Process, managers must perform reviews to ensure TAMIS data reliability, completeness, and accuracy. The reviews include:

Criteria code inputs to TAMIS are appropriate.

MI codes accurately reflect the major issue raised by the taxpayer.

VQ audit logs are reviewed monthly for cases that were removed over the past 60 days.

TAMIS/VQ reports are utilized in developing meaningful training for case advocates in areas where potential weaknesses have been observed.

A system is in place to control Congressional cases on TAMIS within prescribed time frames.¹

All Forms 5081 are reviewed annually for accuracy and appropriate permissions.

VQs are run monthly and checked against each other to ensure correct number of closures and receipts are captured.

VQ output is extracted to Excel files which are sent to the Business Performance Management System (BPMS).

BPMS does spot checks to ensure data is accurately posted.

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¹ There is work underway to exclude non-criteria Congressional cases from the TAMIS database.